



GEORGIA PUBLIC SERVICE COMMISSION

139TH ANNUAL REPORT

2017

**Chairman Stan Wise
Vice Chairman Tim Echols
Commissioner Chuck Eaton
Commissioner Doug Everett
Commissioner Lauren "Bubba" McDonald**

2017 GEORGIA PUBLIC SERVICE COMMISSION



Commissioners (left to right):

Doug Everett, Tim Echols, Chairman Stan Wise, Chuck Eaton, Lauren “Bubba” McDonald

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LETTER TO THE GOVERNOR

January 1, 2018

The Honorable Nathan Deal
Governor
203 State Capitol
Atlanta, Georgia 30334

Dear Governor Deal,

The Georgia Public Service Commission presents its 2017 Annual Report, pursuant to O.C.G.A. §46-2-31, which highlights the agency's major activities and achievements during the past year regarding the state's regulated utilities, telecommunications and infrastructure protection. In 2017 the Commission approved the continued construction of Units Three and Four at the Vogtle Nuclear Power Plant, approved a revised Georgia Power Company 2016 Integrated Resource Plan, reduced Georgia Power's fuel rates and expanded the use of solar energy with no upward pressure on rates.

The year 2018 will see continued activity at the Commission as we closely monitor the ongoing Plant Vogtle nuclear construction project and continue our statutory regulatory responsibilities. The Commission will continue to ensure that Georgia consumers receive the best possible value in utility and telecommunication services, while enforcing natural gas pipeline safety and protecting the utility infrastructure from damage.

The Commission contributed over \$1.1 million to the state's treasury in fiscal year 2017 as a result of its enforcement activities and the statutory regulatory assessment fee.

As the Commission enters its 139th year, we eagerly look forward to serving Georgia's citizens in 2018 and contributing to the state's dynamic economic growth and development.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Stan Wise", with a stylized flourish at the end.

Stan Wise, Chairman
Tim G. Echols, Vice-chairman
Chuck Eaton, Commissioner,
H. Doug Everett, Commissioner
Lauren "Bubba" McDonald, Commissioner

PUBLIC SERVICE COMMISSION PROFILES



Chuck Eaton

Commissioner Since: January 1, 2007

Elected: 2006, Re-elected: 2012

Serves Through: December 31, 2018

Republican, Fulton County, Georgia

Commissioner, 2017 Georgia Public Service Commission

Chuck Eaton was elected to his first term on the Public Service Commission in December of 2006 and re-elected in November 2012. He was one of only two statewide Republican candidates in the entire country to beat an incumbent in 2006. In November 2014 his colleagues re-elected him to his second two-year term as Chairman for 2015 and 2016. He was first elected Chair in November 2012.

Prior to moving to Atlanta, he was an Account Executive for a packaging manufacturer in LaGrange, Georgia. Commissioner Eaton has an Accounting Degree from the University of Alabama and a Law Degree from Georgia State University.

He is the past President of the Buckhead Forest Civic Association and was also a representative to the Atlanta Neighborhood Planning Unit "B," a citizen group that makes recommendations on zoning, land use, public safety and community issues. In Troup County he served on the Board of Directors for Troup Haven House, a children's shelter.

Commissioner Eaton has been involved in the political process for a long time. In 1992, he served as Congressman Phil Crane's Deputy Campaign Manager. In Troup County he successfully managed multiple campaigns for former State Representative Jeff Brown. He is a graduate of the Coverdell Leadership Institute, a statewide organization founded by the late U.S. Senator Paul D. Coverdell to strengthen leadership and political skills.

Due to the judicial nature of the Commission, he enrolled at Georgia State Law School in 2009, taking night classes and paying for the education out of his own pocket. He is admitted to practice law in Georgia.

Chuck lives in Atlanta with his wife, Erika, their daughter, Lydia, and their rescued dog. The Eaton's are members of Peachtree Road United Methodist Church.



H. Doug Everett

Commissioner Since: January 1, 2003

Elected: 2002, Re-elected: 2008, 2014

Serves Through: December 31, 2020

Republican, Albany, Georgia

Commissioner, 2017 Georgia Public Service Commission

A native of Cordele, Georgia, Commissioner Doug Everett is the first Republican elected to the Commission from Southwest Georgia. In 1996, he was elected to the Georgia House from Albany and served three terms before his election to the Commission in 2002. As a State Representative, he served on the House Industry Committee and the Subcommittee on Utilities.

Prior to serving as a state legislator, Everett served three terms on the Albany City Commission, including two years as Mayor Pro Tem.

Commissioner Everett is a past president of the Southeastern Association of Regulatory Utility Commissioners (SEARUC), a non-profit corporation for the advancement and education of commission regulation and the promotion of cooperation among the commissions of the 12 member states. He also served on the Board of Directors of the Georgia Agrirama Development Authority. He is also a past member of the Advisory Board of Directors of the Institute of Nuclear Power Operations.

Commissioner Everett was born in Cordele, Georgia but moved to Sylvester, Georgia where he graduated from high school. He entered Georgia Tech but later transferred to Georgia Teachers College (now Georgia Southern University) and majored in math.

Everett is married to Janice Perry Johnson of Montezuma. The couple has three grown children, Mitch, Mike and Denice Delk, five grandchildren and three great-grandchildren. Everett is a former member of the Albany Rotary Club, the Sylvester JAYCEES and the Sylvester Kiwanis Club.



Tim G. Echols

Commissioner Since: January 1, 2011

Elected: 2010, Re-elected: 2016

Serves Through: December 31, 2022

Republican, Jefferson, Georgia

Vice-chair, 2017 Georgia Public Service Commission

A younger Tim Echols was selected by the Atlanta Airport Rotary Club as "Student of the Year" from his high school in 1978. While at the luncheon, he met Truett Cathy, a member of the Atlanta Airport Rotary Club. After the meeting, Truett invited Tim to come by his Hapeville office and there gave him a set of motivational tapes and a challenge. Echols said the tapes changed his life and as a result of listening to Zig Ziglar and his teaching, Tim set a goal to be a statewide elected official.

Shortly after graduating from the University of Georgia, Tim and his wife Windy founded TeenPact, a training experience for conservative high school students. The program began at the Georgia Capitol and now operates in 42 states having trained 50,000 students. After building TeenPact, Echols ran for and was elected to the Public Service Commission in 2010. When he took office, Georgia was 34th in solar power. Now, eight years later the state is 6th in the nation in approved solar.

Echols created the Clean Energy Roadshow that has traveled the state every summer for the last seven years. This educational event travels to cities around the state helping commuters, businesses and municipal governments evaluate alternative fuel for their transportation and residential use.

Tim has tried to lead by example. He added solar hot water heating to his Athens home just before being sworn-in. He bought a natural gas car, a propane van and now owns an electric car. Tim also led the effort to provide the Salvation Army and two other agencies with \$5 million to help low income seniors in Atlanta with heating assistance. That program continues today. Tim created a pilot program to provide specially equipped IPADS to the hearing impaired to help them function more productively. That program continues today as well. Most recently, Tim led the PSC to increase the number of pediatric hearing aids in a program the PSC oversees.

Tim also has been at the forefront in fighting human sex trafficking. He created the "Unholy Tour" that helps policy makers see first-hand the harms of human trafficking.

Tim and his wife, Windy, have been married 34 years and they have seven children. He has 3 degrees from the University of Georgia and lives in Jefferson, Georgia.



Lauren “Bubba” McDonald

Commissioner Since: January 1, 2009

Elected: 1998, 2008; Re-elected: 2014

Serves Through: December 31, 2020

Republican, Clarkesville, Georgia

Commissioner, 2017 Georgia Public Service Commission

McDonald, who served 20 years as a state Representative, was appointed to the Commission in June 1998 by Governor Zell Miller to fill a vacated post and then re-elected in a special mid-term election in November 1998. He held the seat until 2002. In 2008 and in 2014, Georgians again elected McDonald to serve on the Commission.

McDonald has a deep knowledge of the energy industry. Today he is a member of NARUC's Electric Committee and Nuclear Waste Subcommittee. He has served as Vice-chair of that Subcommittee and is a member of the Nuclear Waste Services Coalition. He is a leader in the development of solar energy in Georgia.

McDonald has spent decades serving the residents of Georgia. As a State Representative, he chaired the Industry Committee for five years and the powerful Appropriations Committee for eight years. He also served as a commissioner in Jackson County, served on the Board of Managers of the Association of County Commissioners of Georgia, and volunteered as a firefighter for the city of Commerce for 35 years.

A native of Commerce who now resides in Clarkesville, McDonald is a graduate of the University of Georgia with a BBA in Business. He has long been a supporter of higher education, serving on the Board of Governors of Mercer Medical College and the Board of the Advanced Technology Center at the Georgia Institute of Technology. He was also a director of the Small Business Development Center at the University of Georgia. He also served six years in the Georgia Air National Guard.

McDonald has lived his entire life within District Four of the Commission. Currently, he is a partner in McDonald & Son Funeral homes in Cumming, Dahlonega and Cleveland with his son, Lauren III. He is married to Shelley McDonald. He was married to the late Sunny Nivens McDonald for 45 years. He is an elder in the Presbyterian Church and a private pilot.



Stan Wise

Commissioner Since: January 1, 1995

Elected: 1994; Re-Elected: 2000, 2006, and 2012

Serves Through: December 31, 2018

Republican, Cobb County, Georgia

Chair, 2017 Georgia Public Service Commission

Stan Wise has served on the Public Service Commission since January 1995, having been elected statewide four consecutive times. He was reelected for his fourth term as Commissioner in November 2012 and is currently the longest serving elected state constitutional officer. He first held elected public office in 1990 as a Cobb County Commissioner, serving through 1994. Prior to his time on the Cobb Commission he served the county as a member of the Cobb County Planning Commission and the Board of Zoning Appeals. Wise also served as a Board Member of the ten-county Atlanta Regional Commission from 1992 through 1994.

Wise is currently serving on the National Petroleum Council for 2016-2017 following his appointment by U.S. Energy Secretary Ernest Moniz. He is currently chairman of the Gas Committee of the National Association of Regulatory Utility Commissioners (NARUC) and also serves on the International Relations Committee. He is on the Advisory Council for the New Mexico State University Center for Public Utilities. Commissioner Wise serves on the Friend of the Strand Board of Directors and is a member of the Action Ministries Board of Directors, a faith-based charity. In 2003 his regulatory peers elected him President of NARUC for 2003 and 2004, furthering his responsibilities and interaction with Congress, federal agencies, state officials, industry leaders, Wall Street, consumer groups and the news media. Wise has testified multiple times before Congress. Wise is also a past President of the Southeastern Association of Regulatory Utility Commissioners (SEARUC).

His alma mater, Charleston Southern University, named Wise the Outstanding Alumnus of the Year in 2006. In addition, he was named the Bonbright Center of the Terry College of Business Honoree of the Year in 2005.

He has also served on the U.S. Department of Energy State Energy Advisory Board, the Cobb County Public Schools Educational Foundation, Inc., and the Board of Directors of the Cobb YMCA, the Boys Club of Cobb County and the Advisory Board of the North Georgia Law Enforcement Academy. He owned and operated an insurance business in Cobb County for twenty years. Wise was awarded his B.S. in Business Management from Charleston Southern University in 1974. He also served in the U.S. Air Force Reserve for six years. He and his wife Denise have two grown children and one grandchild.

PUBLIC SERVICE COMMISSION LEADERSHIP TEAM

DECEMBER 31, 2017

Commissioners

Stan Wise, Chairman
Tim G. Echols, Vice-Chairman
H. Doug Everett, Commissioner
Chuck Eaton, Commissioner
Lauren “Bubba” McDonald, Commissioner

Administration Division

Deborah Flannagan, Executive Director
Reece McAlister, Executive Secretary
Terry Pritchett, Chief Financial Officer
Cheryl Vinson, Human Resources Officer
Jada Brock, Director, Office of Operations Support
Bill Edge, Public Information Officer and Legislative Liaison

Utilities Division

Tom Bond, Director, Utilities Division
Leon Bowles, Director, Telecommunications Unit
Pandora Epps, Director, Internal Consultants Unit
Claudette Willingham, Manager, Consumer Affairs Unit
Sheree Kernizan, Director, Electric Unit
Nancy Tyer, Director, Natural Gas Unit
Michelle Thebert, Director, Facilities Protection Unit

MISSION AND HISTORY OF THE COMMISSION

MISSION

The Commission is a quasi-legislative, quasi-judicial agency comprised of five Commissioners elected statewide. The Commission's mission is to exercise its authority and influence to ensure that consumers receive safe, reliable and reasonably priced telecommunications, electric and natural gas services from financially viable and technically competent companies. The Commission's regulatory activities are primarily focused on investor-owned natural gas and electric power utilities. The Commission has the authority to set rates, require long-range energy plans, provide for the safety of natural gas pipelines and protect underground utility systems from damage.

Over the past three decades, growth, competition and technological advances have significantly changed the Commission's role. With some retail market segments of the telecommunications and natural gas industries open to competition, the Commission facilitates market development, educates consumers, arbitrates complaints among competitors and monitors the effectiveness of the competitive markets.

HISTORY

On October 14, 1879, Georgia became one of the first states to establish a regulatory body to resolve complications resulting from railroad expansion and competition. Created as the Railroad Commission of Georgia, the Governor originally appointed the three members of this body for the purpose of regulating railway freight and passenger rates.

As electricity, natural gas and telecommunications evolved from novelties into major necessities for our modern society so did the roles and responsibilities of the Commission. Major expansions of the Commission's jurisdiction took place between 1890 and 1935. In 1891, legislation added telegraph and express companies to the Commission's jurisdiction.

The years 1906 and 1907 saw two major changes to the Commission's make-up. In 1906 the Legislature allowed the voters to elect the Commissioners for six-year terms and in 1907 lawmakers expanded the Commission to five members. Also in 1906 the Legislature gave the Commission authority over docks and wharves, as well as telephone, natural gas and electric companies. Cognizant of the changing role of this regulatory body, the General Assembly in 1922 changed the name of the Railroad Commission of Georgia to the Georgia Public Service Commission. The Legislature further expanded the Commission's jurisdiction in 1931 when it authorized the Commission to regulate the trucking industry.

In 1943, the Commission became a constitutional body (Article 4, Section 1, 1983 Georgia Constitution). Its powers and duties are established by legislation and described in Title 46 of the Official Code of Georgia. The Legislature in 1998 required the five Commissioners to reside in separate districts though they remain elected by the voters statewide. This change was effective for the 2000 elections.

The years between 2001 and 2012 saw the legislature approve major changes in the Commission's jurisdiction over transportation. In 2001, legislation transferred the Commission's Transportation Division to the new Department of Motor Vehicle Safety. In 2005, the Commission resumed regulatory jurisdiction over household goods movers,

limousines for hire, passenger carriers and nonconsensual towing following passage of House Bill 501. In 2012, the Legislature passed House Bill 865 which transferred Commission jurisdiction over household good movers, passenger buses, limousines and non-consensual towing to the Department of Public Safety's Motor Carrier Compliance Division.

In 2002, Earleen Sizemore became the first woman to serve on the Commission following her appointment to the Commission after the death of longtime Commissioner Bob Durden on May 2, 2002. Later that year in the general election, Angela Speir became the first woman elected to the Commission.

In 2009, the Commission approved the construction of Georgia's, and the nation's, first new nuclear-powered generation facilities since the 1970's. Both of the two units under construction at Plant Vogtle are scheduled to enter commercial operation in 2019 and 2020. In 2017, the Commission continued to monitor this multi-billion dollar nuclear construction project.

Legislation in 2012 changed the method of selecting the Commission Chairman. Senate Bill 483 allowed the Commission to elect its own chairman for a two-year term with the possibility of one additional two-year term.

In June 2014, the Environmental Protection Agency (EPA) released for comment the agency's draft of its Clean Power Plan rules under section 111 (d) of the Clean Air Act of 1970. The Commission went on record opposing this rule. In August 2015, the EPA released the final rule which accorded more favorable treatment of two new nuclear units at Plant Vogtle in meeting Georgia's required reduction in carbon dioxide emissions.

In August 2015, Southern Company, the parent company of Georgia Power Company, announced plans to acquire AGL Resources, the parent company of Atlanta Gas Light Company. The Commission approved the acquisition in April 2016.

The Commission on December 21, 2017 approved the continued construction of Georgia Power's Plant Vogtle Nuclear Power Plant Construction Project. The Commission accepted the Company's revised schedule and forecasted costs.

HIGHLIGHTS OF 2017

The highlights of the Commission's major activities and achievements during 2017 regarding its Utility Regulation, Facilities Protection and Administration Programs are set forth below. A more detailed report from each Commission organizational unit follows this summary.

ELECTRIC

In 2017, the Commission continued to actively monitor the construction of the two new nuclear units at Georgia Power Company's Plant Vogtle near Waynesboro, Georgia. The Commission approved Georgia Power Company's request to verify and approve \$222 million in expenditures on the Project for the six-month period July 1, 2016 through December 31, 2016 and \$542 million in project expenditures for the six-month period ending June 30, 2017.

On December 21, 2017 following two rounds of hearings, the Commission determined: (1) that Plant Vogtle Units Three and Four should be completed, (2) the Company will take a portion of the amounts received from the Toshiba Parent Guaranty and credit customers with three \$25 monthly credits to begin no later than the third quarter of 2018, (3) the approved cost forecast will be reduced by the actual amounts of the Toshiba Parent Guaranty applied to the project's construction in progress, bringing the approved revised capital forecast to \$7.3 billion; and (4) the Company's return on equity (ROE) used to determine the Nuclear Construction Cost Recovery (NCCR) tariff will be reduced

NATURAL GAS

At the close of 2017, Georgia had seventeen (17) Commission-certified natural gas marketers actively serving firm customers in the Atlanta Gas Light Company (AGLC) delivery area. During this time, both AGLC and Liberty expanded their service areas via the increase of their customer base throughout Georgia. On September 29, 2017, the Commission approved Liberty's 2017-2018 Gas Supply Plan in Docket 41154. The plan identified the interstate storage and peaking assets needed to meet the company's forecasted peak demand for its approximately 54,300 customers in the Gainesville and Columbus service areas. On September 18, 2017, AGLC filed its Year 2018 Universal Service Fund Facilities Expansion Plan ("2018 Plan"). The petition proposed two (2) line-extension projects that included the Madison County Project and the Schley County Project.

TELECOMMUNICATIONS

In 2017 the Commission granted certificates of authority to eight long-distance resellers, nine competitive local exchange providers and two inter-exchange service providers. The total number of active certificates in 2017 was 741, distributed among industry segments, as follows: 213 resellers, 43 alternative operator service providers, 228 competitive local exchange providers, 86 inter-exchange service providers, 113 payphone service providers, 22 institutional telecommunication service providers and over 36 incumbent local exchange service providers.

In addition, the Commission approved total disbursements for the 22nd Universal Access Fund year of \$24,482,230 with the aggregate annual cap amount remaining at \$1,000,000 each for Track 1 carriers.

FACILITIES PROTECTION

During 2017 the pipeline safety inspectors of the Facilities Protection Unit monitored and inspected over 1,200 miles of transmission lines, nearly 44,000 miles of distribution pipeline, and more than 2 million service lines for transporting natural gas to Georgia customers in 147 counties. The pipeline safety inspectors evaluated operator compliance with state and federal pipeline safety regulations by conducting 211 inspections, including 16 Drug and Alcohol inspections, over 858 inspection days.

Challenges in 2017 continued in Facilities Protection, as the group continued to enforce the Georgia Underground Facilities Protection Act, Federal, and State rules and regulations, as well as implementing continuing regulations, while facing staff turn-over and the loss of pipeline safety inspectors to the private sector.

INTERNAL CONSULTANTS

The Internal Consultants Unit of the Utilities Division operates primarily as a resource for the other units. During 2017, Internal Consultants served as Project Lead on several major cases which included the Southern Company/AGL Resources merger, Plant Vogtle Units 3 and 4 Construction Monitoring, Georgia Power Company's Fuel Cost Recovery cases, Georgia Power's 2016 Integrated Resource Plan, and the Renewable Energy Development Initiative ("REDI").

CONSUMER AFFAIRS

The Consumer Affairs Unit is the primary path for consumers to contact the Commission to make their concerns and issues known. During 2017 the total number of calls reported by the Commission's Automated Call Distributor (ACD) was 12,802 (this includes Spanish calls). Telephone calls comprised the majority of all inbound contact methods in 2017. Internet/e-mail contacts continued to be the second preferred method of contacting the Commission in 2017. There were 3,093 internet contacts, 4,904 e-mail complaints, and 200 opinions for a total of 8,197 contacts.

Regular mail and faxes were the next popular methods consumers used for communicating with the Commission. The total paper correspondence in 2017 (letters and faxes) was 692.

In 2017 the Consumer Affairs staff met with 17 consumers in person at the Commission offices to discuss issues with their bills, utility deposits, and to provide information on energy assistance and the Lifeline program. In all, Consumer Affairs representatives received 21,708 inquiries, complaints, and opinions from the general public in 2017.

ADMINISTRATION DIVISION

During 2017 the Administration Division continued to efficiently maximize its task to support the Commission's mission. The Executive Director heads the Division and oversees the Executive Secretary, Budget and Fiscal Office, Human Resources Office, Public Information/Legislative Liaison Office and Operations Support Office.

In 2017, the Budget and Fiscal Office accurately monitored and effectively managed a budget with revenues and expenses of \$11 million dollars. In 2017, the Executive Secretary opened 744 new case dockets; processed 4,294 filed documents; and filed 698 orders prepared for

the Chairman's and Executive Secretary's signature. The number of dockets has grown tremendously over the past two decades. The Public Information Officer coordinated the Commission's public information and legislative activities, issuing 14 news releases and 68 media advisories.

The Human Resources Office reports that during 2017 the Commission added four new staff members: one Engineer to the Electric Unit; a Utilities Analyst to the Energy Efficiency and Renewable Energy unit; a Utilities Analyst for the Internal Consultants Unit; and an Administrative Assistant for the GUFPA Unit. During 2018 the Human Resources office will work with the Executive Director and other senior management to solidify a succession process.

In Operations Support growth was the main theme for 2017. The Operations Support team upgraded the Network architecture, initiated work on the State Transparency and Regulatory System (STARS) and developed a much needed new agency website.

UTILITIES DIVISION

Since the early 20th century the Georgia Public Service Commission has been responsible for setting the rates charged by telecommunications, natural gas, and electric companies, ensuring the reliability and availability of utility services, and establishing and enforcing quality of service standards. The telecommunications, natural gas, and electric industries are natural monopolies, but some segments of these markets have been opened to retail competition that allow customers to choose among multiple providers for certain services and pay rates set by the provider. Other services, such as distribution of natural gas and electricity by investor-owned companies, remain regulated by the Commission, which sets the rates charged for these services.

The pace of the implementation of competition and deregulation varied among the regulated industries. In the telecommunications industry, long distance service has been competitive since the mid-1980s. In 1995 and 1996, authorities opened local telephone service to competition by federal and state legislation, respectively. Local telephone competition was redefined due to technological advances of broadband, Voice over Internet Protocol (VoIP) and wireless telephone. State legislators and federal agencies recognized that local telephone companies face intermodal competition from cable TV companies and wireless providers, not just intramodal competition from other telephone companies.

In 1998, Georgia opened the natural gas commodity market to retail competition. Only one of the two investor-owned natural gas companies elected to open its territory to competition and now twelve Commission-certified marketers sell gas commodity service to customers in the Atlanta Gas Light Company (AGLC) territory. Marketers set their own prices, but the Commission sets the rates charged by AGLC for distributing the natural gas for the marketers. There are 17 Commission certificated natural gas marketers operating in today's deregulated Georgia market.

During 2017 the Commission continued to monitor the Plant Vogtle nuclear construction project in east Georgia where the Georgia Power Company is building Units 3 and 4. This is the largest construction project in the Southeastern United States and possibly in the United States.

In spite of these changes in the regulatory environment, the Commission's mission remains the same: to ensure that consumers receive the best possible value in telecommunications, electric and natural gas services, to enforce natural gas pipeline safety laws and to protect utility infrastructure from damage. In the sections that follow are an overview of the role that the Commission has played and the key decisions in each of these utility industries.

ELECTRIC UNIT

Electricity is an energy form that is vital to the economy of the state and to the quality of life of Georgia's citizens. Of the three utility industries, the electric industry is the most universally utilized and perhaps the most essential. The state's only investor-owned electric utility, Georgia Power Company, is fully regulated by the Commission and serves approximately two million consumers. The Commission has limited regulatory authority over the 41 electric membership corporations (EMCs) and 52 municipally-owned electric systems in the state.

SIGNIFICANT MATTERS IN THE PSC's REGULATION OF THE ELECTRIC UTILITY INDUSTRY IN 2017

Commission monitors progress of nuclear plant construction



On March 17, 2009, the Commission approved Georgia Power Company's request to certify the construction of the new nuclear power units at its Plant Vogtle Nuclear Power Plant near Waynesboro, Georgia. Under the agreement approved by the Commission, the Company must file semi-annual monitoring and monthly status reports with the Commission. The semi-annual monitoring report includes any proposed revisions to the cost estimate, construction schedule, or project configuration, as well as a report on actual costs incurred during the period covered by the report and an updated comparison of the economics of the certified project.

The Commission Staff and Construction Monitor continue to actively monitor the construction of the two new nuclear units. In 2017, the Commission approved Georgia Power Company's request to verify and approve \$222 million in expenditures on the Project for the period July 1, 2016 through December 31, 2016 and \$542 million in project expenditures for the six-month period ending June 30, 2017.

In its December 21, 2017 Order, the Commission determined: (1) that Plant Vogtle Units Three and Four should be completed, (2) the Company will take a portion of the amounts received from the Toshiba Parent Guaranty and credit customers with three \$25 monthly credits to begin no later than the third quarter of 2018, (3) the approved cost forecast will be reduced by the actual amounts of the Toshiba Parent Guaranty applied to the project's construction in progress, bringing the approved revised capital forecast at \$7.3 billion; and (4) the Company's return on equity (ROE) used to determine the Nuclear Construction Cost Recovery (NCCR) tariff will be reduced. The tariff will be reduced from 10% to 8.3% on

January 1, 2020 and further reduced to 5.3% beginning January 1, 2021. Additionally, the Commission authorized Georgia Power to develop a five (5) megawatt community solar facility on Company owned property next to Plant Vogtle.

PSC Continues to Monitor Implementation of Georgia Power's 2016 Integrated Resource Plan

Georgia law (O.C.G.A. §46-3A-2) requires Georgia Power Company to file an updated Integrated Resource Plan (IRP) every three years. The IRP details how the Company will supply the state's electric generation needs. The plan ensures that Georgia Power customers have an adequate and reliable electric supply, establishes measures to conserve energy, and promotes alternate energy supplies.

The Commission's 2016 IRP order included decertifying uneconomic fossil resources, adding 1200 MW renewable resources, 100 MW distributed resources and \$99 million to study additional nuclear resources in Stewart County, Ga. to resolve all issues in the Georgia Power Company 2016 Integrated Resource Plan (IRP) and Application for Certification of Its Demand Side Management (DSM) Plan.

In 2017, the Commission ordered Georgia Power to cease spending on the proposed new Stewart County nuclear facility. Although a number of uncertainties still remain, the most recent forecasted expansion plan indicates that suspending investigation activities now is unlikely to delay the ability to deploy new nuclear when needed by customers. Any resumption of the Stewart County Site Investigation activities will require Commission approval. The timing of when new nuclear may be needed to serve customers is a critical factor in proceeding with the investigation. Consistent with the position it took in the 2016 IRP proceeding, the Commission Staff supported the Company's decision to suspend work on the Stewart County Site Investigation, and no party of record in this proceeding has objected to the suspension. In addition, an evaluation of the need for new nuclear generation can be reassessed in a future IRP where all other generation resources will also be evaluated with updated assumptions.

The Commission reviewed the transaction between Georgia Power and Southern Natural Gas involving natural gas infrastructure, which would enable the Company to not only obtain cost-effective FT(need term) for Plant McDonough on a long-term basis but would also: (1) improve the operational flexibility of the Georgia Power fleet (along with the rest of the Southern system); (2) ensure a higher degree of reliability for Plant McDonough's fuel supply; and (3) allow for greater access to plentiful and cost-effective natural gas supply from the Northeast.

Military Solar Resources

In October 2014, the Commission approved the construction of three solar photovoltaic installations on three Georgia military bases as part of a partnership between the Georgia Power Company and the U.S. Army. The three bases are Fort Benning, Fort Gordon and Fort Stewart. The solar installations will provide power to Georgia Power customers but if needed can also generate power exclusively for each base. Groundbreaking ceremonies were held for new solar photovoltaic installations on Georgia military bases: Fort Gordon Army Base, Fort Stewart Army Base, Fort Benning Army base, Kings Bay Naval Submarine Base and Marine Corps Logistic base in Albany, Georgia.

The Marine Corps project stemmed from the Commission's 2014 decision to reallocate 46 MW of capacity from the Plant Mitchell biomass project to other military self-build projects. The Company requested approval from the Commission to use the remaining capacity for this purpose. The Commission approved the three U.S. Army projects in October 2014 and the U.S. Navy project in May 2015. The Commission authorized the Company to build these four 30 MW renewable projects provided that the cost of the projects is equal to or less than the Company's avoided costs, meaning no upward pressure on rates. All three projects were completed before the end of 2016 and will generate up to 30 megawatts of electricity each. The Marine Corps Logistic base is under construction and scheduled to come on line in 2017.

In addition to these, in 2017 Georgia Power provided notice of its intent to develop and construct the following solar generating facilities: a 25.6 MW facility at Fort Gordon Army Base, a 32 MW facility at Moody Air Force Base, a 10.8 MW facility at Fort Valley State University and a 3.5 MW facility to be constructed at Georgia College & State University.

Also in 2017, the Commission approved the largest solar facility in Georgia that will provide power to a Georgia military base. The 139 Megawatt (MW) solar facility is located just outside Robins Air Force Base in Warner Robins, Georgia. Georgia Power Company will own and operate the facility on land leased from the Central Georgia Joint Development Authority.

Community Solar

In 2017, Georgia Power Company received approval for its proposed Community Solar Program and related tariff CS-1. The CS program will provide residential customers with an opportunity to support the development of solar power in Georgia by purchasing a monthly subscription. With this subscription, the customer will receive a bill credit based on the production of the Company-owned solar facilities that will be used to support the CS program. The solar facilities are to be sited near Athens, Georgia and in Savannah, Georgia. This Community Solar program is authorized by the August 2, 2016 Commission decision to allow a three Megawatt Community Solar Program.

The Commission continues to monitor other aspects of the 2013 IRP:

- the closure and decertification of 16 coal-fired electric generation units
- dismantlement costs, modeling issues, research projects
- the conversion of two coal-fired units to burn natural gas
- the addition of environmental controls to bringing thirteen coal-fired generation units into compliance with the Environmental Protection Agency (EPA) Mercury and Air Toxic Standards (MATS) rule by 2015/2016 time period
- the Demand-side Management (DSM) Working Group, a diverse stakeholder group facilitated by the Commission Staff, continues to work on energy efficiency issues in preparation for the Company's 2019 IRP filing

PSC Monitors Georgia Power's Base and Fuel Rates

As part of the settlement in the Southern Company acquisition of AGL Resources, the Company did not file a rate case in 2016. The Commission Staff reviews and analyzes and evaluates the Company's annual Surveillance filings to ensure compliance with Commission orders and to determine whether excess revenues are available for sharing. Under the terms of the agreement, an earnings band of 10 percent to 12 percent was approved. Any earnings

above 12 percent will be shared two-thirds with customers with the remaining one-third retained by the Company. In March 2017, the Company filed its Annual Surveillance Report (ASR) for the year ended December 31, 2016, which reported an adjusted ROE of 12.46%. Commission Staff conducted its review of the ASR in order to replicate and verify GPC's ROE calculation and to ensure GPC's regulatory adjustments were made in compliance with Commission orders. The Staff determined that the actual adjusted ROE should be 12.49% and presented its recommendation to the Commission in early 2017 that refunds in the amount of \$43.6 million should be returned to customers.

In 2016, the Commission approved Georgia Power's implementation of an electric service pre-pay program. Special meters are being installed in residences where there have been several cut-offs for non-payment. This program especially benefits those customers whose electricity service has been disconnected for non-payment in that it eliminates the need for additional deposits to maintain vital electric utility service. In 2017, the Commission approved a pilot Pay by Day tariff to provide customers additional flexibility in payment options.

Ongoing investigations

The Commission Staff also continues to investigate and monitor the following:

1. Effectiveness of hedging programs of Georgia Power in mitigating potentially high natural gas fuel costs
2. Flat bill tariffs for residential and commercial customers, designed to provide price stability during fluctuating market conditions. In 2017, the Commission approved a pilot Pay by Day tariff to provide additional Flat bill payment options for customers.
3. Performance and reliability of the utilities' generating plants, transmission and distribution infrastructure; and,
4. Companies' earnings for excess revenues available for sharing, as defined in the approved accounting orders.
5. Affiliate transactions
6. Electric transportation Initiative – Electric vehicles in 2017

PSC Oversight over EMCs and Municipal Electricity Providers

The Commission oversees territorial matters for all electricity suppliers, EMCs, Georgia Power, and the municipal electricity providers, pursuant to the Georgia Territorial Electric Service Act, O.C.G.A. § 46-3-1 et seq., by reviewing and authorizing requests for transfers of retail electric service, resolving disputes over service territories and maintaining the electric supplier territorial maps for each of the 159 counties in Georgia. The Commission also approves Georgia Power's and electric membership corporations' requests for financing authority and publishes bi-annual (winter and summer) residential electricity rate comparison for all electricity providers in the state

The Commission Continues Its Involvement in State and Federal Activities That Impact the Electric Utility Industry

The Georgia Public Service Commission continues its involvement in the Southeastern Association of Regulatory Utility Commissioners (SEARUC), as well as the National Association of Regulatory Utility Commissioners (NARUC) to learn from other state regulators and share its knowledge for the benefit of Georgia utility consumers. Commissioners and staff serve on the committees of several national and local groups including NARUC, SEARUC,

Southeast Electric Reliability Council (SERC), North American Electric Reliability Corporation (NERC), Eastern Interconnection States' Planning Council and the National Council on Electricity Policy.

NATURAL GAS UNIT

Natural Gas Highlights

Natural gas is considered important to the economic prosperity of Georgia. Approximately 1,600,000 customers in Georgia use natural gas, delivered by the state's two investor-owned natural gas systems, Atlanta Gas Light Company (AGLC) and Liberty Utilities Georgia Corporation (Liberty). Each year, the Georgia Public Service Commission Gas Staff collaborates with these two companies, marketers, and other gas utilities throughout Georgia.

At the close of 2017, Georgia had seventeen (17) Commission-certified natural gas marketers actively serving firm customers in the Atlanta Gas Light Company (AGLC) delivery area. During this time, both AGLC and Liberty expanded their service areas via the increase of their customer base throughout Georgia.

ACTIVITIES IN NATURAL GAS REGULATION IN 2017

Universal Service Fund ("USF" or "Fund")

The Commission is authorized to create and establish regulations to administer a universal service fund for each gas company that elects (Electing Distribution Company (EDC)) to become subject to the provisions of Article 5 of Chapter 4 of Title 46 of the Official Code of Georgia Annotated, and which satisfies the requirements of O.C.G.A. §46-4-154. The Commission is charged with making a determination, prior to the commencement of the Electing Distribution Company's (EDC) fiscal year as to the amount of Universal Service Fund (USF) funding that is appropriate for the EDC to receive in that year. Commission Rule 515-7-5-.03 states that, a universal service fund shall be created for each EDC for the purposes set forth in O.C.G.A. §46-4-161(a). These purposes include assuring that gas is available for sale by marketers to firm retail customers within a territory certificated to each such marketer; enabling the EDC to extend and expand its facilities and service in the public interest; assisting low-income residential consumers in times of emergency as determined by the Commission; and assisting consumers of the regulated provider of natural gas in accordance with Code Section 46-4-166. Commission Rule 515-7-5-.07 outlines procedures related to applications for disbursement from the Universal Service Fund for an EDC. The USF belongs to Atlanta Gas Light Company ("AGLC") as the EDC. The Commission administers the USF to include the review and final decision on all disbursement requests.

Staff reconciles the monthly bank statements, provides monthly reporting, reviews requests for USF funding, and provides annual reporting to the State Accounting Office ("SAO"). As seen in the tables below, the USF had a beginning balance on January 1, 2017 of \$35.3 million. During the year, the USF had deposits totaling \$9.3 million and Expenditures totaling \$2.5 million. The ending December 31, 2017 balance was \$42.1 million.

USF Activity: Year 2017

2017 USF Beginning Balance	\$35,334,712.49
Deposits	\$9,308,028.72
Expenditures	(\$2,534,291.45)
2017 Ending Balance	\$42,108,449.76

The Commission approved the USF for AGLC in 1998. From December 1998 through December 2017, the USF had deposits in the amount of \$308.8 million and expenditures in the amount of \$266.7 million. The ending December 2017 balance from this historic activity was \$42.1 million.

**USF Historic Activity:
1998- 2017**

Deposits	\$308,837,338.01
Expenditures	\$266,728,888.25
2017 Ending Balance	\$42,108,449.76

Annually, the Staff provides reporting to the State Accounting Office (“SAO”) on the activity and position of the Fund. On August 3, 2017, the Staff emailed the following completed forms to the SAO for fiscal year 2017.

USF FY 2017 SAO Reporting File List

-  1. USF FY 2017 470 Trial Balance Shell
-  2. USF FY 2017 Form Investments
-  3. USF FY 2017 Cash and Deposits Form
-  4. USF FY 2017 Custodial Risk Form
-  5. FY 2017 USF TB Shell Raw Data-QuickBooks
-  6. June 2017 USF Escrow Account Bank Statement

Docket No. 41507: Atlanta Gas Light Company’s Annual Universal Service Fund Facility Expansion Plans

On September 18, 2017, AGLC filed its Year 2018 Universal Service Fund Facilities Expansion Plan (“2018 Plan”). The petition proposed two line-extension projects that included the Madison County Project and the Schley County Project. The table below provides the estimated cost of each project. After the Commission analyzed AGLC’s request, the Commission approved the projects during the January 16, 2018 Administrative Session. On December 22, 2017, the Tax Cut and Jobs Act was signed into law effective January 1, 2018. When AGLC files a Notice of Completion Report to receive USF funding on the actual costs of the projects, it will provide an updated income tax rate to calculate the cost for recovery. The review of the 2018 Plan moved into 2018.

Projects	Estimated Engineering Costs
Madison County Project	
Estimated Construction Costs	\$640,000
Tax Rate	0.2988
Tax Gross Up	\$191,232
Subtotal:	\$831,232
Finance Rate	0.018125
Finance Gross Up	\$15,066
Madison Total Estimated Costs	\$846,298
Schley County Project	
Estimated Construction Costs	\$7,970,000
Tax Rate	0.2988
Tax Gross Up	\$2,381,436
Subtotal	\$10,351,436
Finance Rate	0.018125
Finance Gross Up	\$187,620
Schley Total Estimated Cost	\$10,539,056
2018 Plan Total Estimated Costs	\$11,385,354

Docket No. 34734 Liberty Utilities Corporation (Liberty) (Peach State Natural Gas) 2017 Georgia Rate Adjustment Mechanism ("2017 GRAM")

As discussed in the Commission's 2016 annual report, on September 30, 2016, Liberty filed its 2017 GRAM ("Original 2017 GRAM") asking for a rate increase of \$1,239,655, as found in Schedule-11, on a Rate Base Attributed to Common Equity totaling \$54,434,688 with an ROE of 9.54% using current rates through the Forward Looking Test Year ending August 31, 2017. The Staff reviewed the 2017 GRAM by analyzing each of the eleven (11) schedules and the fifty-one (51) supporting work papers. On January 25, 2017, Liberty filed the revised 2017 GRAM Filing with the agreed on changes between the Staff and Liberty. On Schedule-2 Line-15, the revised ROE increase by 0.14% to 9.69% from the Original 2017 GRAM. During a Special Administrative Session held on January 31, 2017, the Commission approved Liberty's total Revenue Adjustment and rate increase of \$1,119,666 for a Rate Effective Period of February 1, 2017 through January 31, 2018.

Docket No. 34734 Liberty Utilities Corporation (Liberty) (Peach State Natural Gas) 2018 Georgia Rate Adjustment Mechanism ("2018 GRAM")

On December 27, 2011, the Commission approved the Final Order Adopting Stipulation ("GRAM Stipulation") between the Staff and Atmos Energy for an alternative form of ratemaking in accordance with O.C.G.A. 46-2-23.1. The process is called the Georgia Rate Adjustment Mechanism ("GRAM"). On May 03, 2016, the Commission approved an update to the GRAM Stipulation. Under O.C.G.A. 46-2-23.1, the Staff and Liberty believed the GRAM to be consistent with the provisions of Georgia's Alternative Form of Regulation as provided in the statute in the following.

1. Is designed to and is likely to produce lower prices for consumers of natural gas in Georgia;
2. Will provide incentives for the gas company to lower its costs and rates;
3. Will provide incentives to improve the efficiency and productivity of the gas company;
4. Will foster the long-term provision of natural gas service in a manner that will improve the quality and choices of service;
5. Is consistent with maintenance and enhancement of safe, adequate, and reliable service and will maintain or improve preexisting service quality and consumer protection safeguards;
6. Will not result in cross-subsidization among or between groups of gas company customers;
7. Will not result in cross-subsidization among or between the portion of the gas company's business or operations subject to the alternative form of regulation and any unregulated portion of the business or operations of the gas company or of any of its affiliates;
8. Will reduce regulatory delay and cost; and
9. Will tend to enhance economic activity in the affected service territory.

On October 2, 2017, Liberty filed its 2018 GRAM Filing ("Original 2018 GRAM"). The filing consisted of the following.

- Schedule-1: Calculation of Revenue Deficiency
- Schedule-2: Average Rate Base: with supporting work papers
- Schedule-3: Income Statement
- Schedule-4: Operating Revenues: with supporting work papers
- Schedule-5: Operating Expense Summary: with supporting work papers
- Schedule-6: Depreciation Expense: with supporting work papers
- Schedule-7: Taxes and Other Income: with supporting work papers
- Schedule-8: Calculation of Federal and State Income Taxes
- Schedule-9: Derivation of the Income Expansion Factor
- Schedule-10: Capital Structure and Cost of Capital
- Schedule-11: Calculation of Adjustment

Liberty's Historic Test Year ("HTY") was July 1, 2016 through June 30, 2017. The Forward Looking Test Year ("FTY") is September 1, 2017 through August 31, 2018.

Liberty calculated ratemaking adjustments under current rates through the FTY for a Return on Equity ("ROE") of 8.15%. Liberty's target ROE approved on March 31, 2010 as part of the 2009-2010 rate case in Docket No. 30442 was 10.70%. As provided in the GRAM Stipulation, Liberty has an ROE band of 10.50% to 10.90%. If the ROE falls inside the band, there is no

adjustment to rates. If the ROE is below the band, rates are adjusted upward to the bottom of the band. If rates are above the band, rates are adjusted downward to the top of the band. Since Liberty calculated an ROE below the bottom of the band, it calculated an increase in revenue requirement adjusted to the bottom of the ROE band on Schedule-11 Line-5.

The Staff reviewed the Original 2018 GRAM, which included eleven (11) schedules and forty-three (43) work papers. As the Staff analyzed the data that comprised all components of the ratemaking process, a master issues list was developed to document concerns. In order for the GRAM process to work efficiently, Liberty must have net customer growth; O&M cost controls, and reasonable capital budget expectations. The Staff reviewed the three areas as part of the analysis. On December 12, 2017, the Staff and Liberty met to address Staff's items in the master issues list. By the end of December 2017, there were numerous issues left unresolved. Additionally, with the December 22, 2017 Tax Cut and Jobs Act becoming law effective January 1, 2018, and in part, reducing the corporate tax rate from 35% to 21%, the Staff asked Liberty to provide a new model that would provide 100% of the tax benefit, 14%, to the ratepayers. The review of Liberty's 2018 GRAM moved into 2018.

Docket No. 40828 Atlanta Gas Light Company's 2017 Georgia Rate Adjustment Mechanism ("2017 GRAM")

On December 1, 2016, Atlanta Gas Light Company ("AGL" or "Company") filed with the Georgia Public Service Commission ("Commission") an Application for Approval of an Alternative Form of Regulation, herein after referred to as the AGL Georgia Rate Adjustment Mechanism ("AGL GRAM"). On December 5, 2016, AGL filed a Supplemental Application and a joint Stipulation between AGL and the Georgia Public Service Commission ("Staff"). Also included with the December 5, 2016 supplemental filing were two Attachments: Attachment A to the Supplemental Application is AGL's 2017 GRAM Annual Rate Filing ("2017 AGL GRAM"), and Attachment B is the AGL capital budget in support of the 2017 AGL GRAM filing. The Stipulation requests approval by the Commission of the agreed-to mechanism, and indicated that at the time the Stipulation was signed Staff was continuing to review the 2017 AGL GRAM Filing. Prior to the hearing in this docket, AGL filed certain revisions to the Attachment A. At the hearing on February 7, the witnesses testified that revisions to Attachment A were made following Staff's review of the 2017 AGL GRAM filing, and that the revisions reflected changes agreed to by Staff and AGL. Staff also testified that it would present its recommendation regarding the 2017 AGL GRAM filing at the Commission's Energy Committee meeting on February 16, 2017.

The Staff reviewed the original 2017 AGL GRAM by analyzing each of the 12 schedules and the 48 supporting work papers. Schedule 1 provided a Calculation of Revenue Sufficiency/ (Deficiency) for AGL's overall rate base. The Staff traced the source numbers and found no issues. Schedule 2 calculated the Average Rate Base, but more specifically, it calculated AGL's Return on Equity ("ROE") using present rates through the end of the Forward Looking Test Year, twelve months ending December 31, 2017. Since Schedule 2 is the main schedule that determines if AGL will over-earn or under-earn, it pulls its supporting data from its own work papers, Schedules 3 through Schedule-10, and those schedules' supporting work papers. The Staff conducted a detailed review of the supporting data from Schedules 3 through Schedule-10, supporting work papers, the ending September 30, 2016 Grey Book financial report, appropriate methodologies and rates approved in the 2010 rate case in Docket No. 31647, and methodologies in the December 5, 2016 Joint Stipulation in Docket No. 40828. The Staff then compared the final ROE number, 9.27% to the ROE provided on Schedule-11 Line-1 for a final Revenue Requirement Calculation ("RRC") on Line-5 based on

moving the ROE to the bottom of the band, 10.50%, or a \$12,853,501 increase. When grossed up for income taxes, the total revenue adjustment was \$20,961,095. The Staff and AGLC met numerous times to resolve issues.

On February 6, 2017, AGL filed a revised 2017 AGL GRAM ("Revised 2017 AGL GRAM") with the agreed-to changes between the Staff and AGL. The annual rate increase totaling \$20,370,018 for the 2017 REP March 1, 2017 through February 28, 2018 with total projected revenues of \$573,204,224 reported as part of AGL's 2017 AGL RTU to be filed by August 30, 2018. Concerning RTU tracking for the 2017 AGL GRAM, the 2017 AGL REP will be 12 months, March 1, 2017 through February 28, 2017. The 2017 AGL GRAM rates will remain effective through May 31, 2018. Beginning with the 2018 AGL GRAM Filing, and going forward, the 2018 REP shall begin on June 1st and continue until May 31st.

Docket No. 40828 Atlanta Gas Light Company's 2018 Georgia Rate Adjustment Mechanism ("2018 GRAM")

On December 1, 2017, Atlanta Gas Light Company ("AGLC") filed its 2018 GRAM. AGLC requested a \$22,131,824 rate increase with a Return on Equity ("ROE") of 9.54% adjusted upward to 10.55%. The 2018 GRAM contained eleven (11) schedules with forty-six (46) supporting work papers. By the end of 2017, the Staff was continuing to review the filing. The new rates have a target effective date of June 1, 2018. With the December 22, 2017 Tax Cut and Jobs Act becoming law effective January 1, 2018, and in part, reducing the corporate tax rate from 35% to 21%, the Staff asked AGLC to provide a new model that would provide 100% of the tax benefit, 14%, to the ratepayers. The review of AGLC's 2018 GRAM moved into 2018.

Docket No. 41154 2017-2018 Liberty Utilities Gas Supply Plan

On September 29, 2017, the Commission approved Liberty's 2017-2018 Gas Supply Plan in Docket 41154. The plan identified the interstate storage and peaking assets needed to meet the company's forecasted peak demand for its approximately 54,300 customers in the Gainesville and Columbus service areas. The 2017-2018 Gas Supply Plan included the methodology used to forecast peak day design, the appropriate capacity reserve margin and the associated turn back of capacity. This gas supply plan is in effect until September 30, 2018. The Company will file the next gas supply plan by July 1, 2018.

Active Natural Gas Marketer Update

At the end of 2017, there were seventeen (17) certified natural gas marketers in Atlanta Gas Light Company. XOOM Energy Georgia, LLC responded to the 41st Data request since it started operations in Georgia in 3rd Quarter 2017. On September 7, 2017 in Docket No. 25471 and Docket No. 15969 Joint Petition of Fireside Natural Gas LLC and EMC Natural Gas, INC. d/b/a True Natural Gas were approved for a transfer of Fireside's residential customers to True. On November 14, 2017 in Docket No. 25471 Fireside Natural Gas LLC was approved for amendment in the Certificate of Authority to only serve commercial customers. On September 19, 2017 NAPG filed its application for change in ownership at the holding company level. Calpine Corporation, parent of NAPG will become a wholly-controlled subsidiary of ECP ControlCo, LLC.

As part of O.C.G.A. § 46-4-153(f) and Commission Rule 515-7-3-.07(10) Natural gas marketers' financial statements are filed at the Commission for an ongoing review of financial

and technical capability. The marketers provide financial information that the Staff utilizes to conduct monthly, quarterly, and annual analyses in addition to calculating financial ratios. The Staff examines the financial analyses to monitor their financial health. The ultimate goal of examining the financial statements is to identify financial trends over a period for each particular natural gas marketer and to monitor each company's financial viability. In addition, Staff analyzes all natural gas marketers' parent company, or overall company, financial statements to determine their financial impact on the Georgia natural gas market. Staff utilizes the same analysis methodology for all natural gas marketers. Staff communicates to the natural gas marketers any discrepancies that are identified during the financial analysis process for resolution.

Docket No. 38703 Regulated Provider

As of December 31, 2017, the Regulated Provider (SCANA) had a total of 46,243 customers, with 16,895 designated as Group 1 and 29,348 designated as Group 2. The Department of Human Resources (DHR) uses the same guidelines to qualify Group 1 customers as those established for the Federal Low-Income Housing Energy Assistance Program (LIHEAP). Group 2 customers are those who cannot obtain service from other marketers due to poor credit or no credit. During 2017, the Commission approved approximately \$1,001,803.50 for Group 1 customer assistance to be used to help with customers' monthly bills. No such funds are available for Group 2 customers.

In October 2017, the Commission approved a Request for Proposal (RFP) for a new Regulated Provider term. A provider will be approved during the 1st quarter of 2018 with the new term beginning September 1, 2018.

Certificates of Public Convenience and Necessity

The Commission's Natural Gas Unit and Facilities Protection Unit continue to work jointly on the County-Wide Natural Gas Safety Plans (CWSP) (Commission Rule 515-9-7-.01) to ensure that the plans possess safety-based boundaries that conform to the corresponding Certificates of Public Convenience and Necessity which govern where natural gas providers may install their facilities. In counties where multiple natural gas providers serve, the providers must develop a CWSP delineating safety and emergency response procedures for use during natural gas emergencies and be qualified to operate natural gas distribution systems. In addition, where necessary, either new certificates are granted or existing certificates are amended (Commission Rule 515-7-1, et.seq.) to natural gas operators. Commission staff met periodically with the stakeholders during the course of 2016. By the close of 2017, the Commission had either granted or amended eighteen (18) additional Certificates affected by this process, bringing the total to ninety (90) Certificates of Public Convenience and Necessity that were affected by the CWSPs.

Docket No. 4167 Audit of AGLC's Manufactured Gas Plant (MGP)

In 1992 Atlanta Gas Light Company (AGLC) requested an Environmental Response Cost Recovery Rider as a mechanism for recovering costs associated with the cleanup of MGP sites, three (3) of which are in Florida. After holding hearings, the Commission adopted a settlement. Commencing in 1992, the Commission has conducted audits of capital expenditures related to the cleanup of twelve (12) MGP sites where AGLC used to manufacture natural gas from coal. The production process created by-products that contaminated the soil and groundwater.

AGLC ratepayers pay a surcharge to assist with the costs associated with this cleanup. The Commission Staff audits the expenditures for accuracy and financial prudence. The program fiscal year runs from July 1 to June 30, and Staff files an audit report for costs for each fiscal year. During the 2016 fiscal year, the Staff audited the costs associated with Year 24. All costs that were audited were found to be prudent. The 2017 rider amount is \$1.53, per Dth per DDDC per year. Since the inception of the MGP program, the total amounts allocated to be recoverable expenses are \$274,949,357.00. To date, ratepayers have paid \$260,179,615.61 in recovery costs for the MGP cleanup.

Docket No. 12509 Liberty Utilities Georgia Corporation's (Liberty) Cast Iron and Bare Steel Retirement Program

In April 2001, the Commission approved an accelerated pipe replacement program to replace 184 miles of cast iron pipe in Liberty's (formerly Atmos Energy) territory in Columbus over a 15-year period and 46 miles of bare steel pipe in Gainesville over a 20-year period. To date the Company has replaced a combined total of 230 miles of pipe and appurtenances in the Columbus and Gainesville areas. However, in Columbus, the cast iron pipe replacement was completed in 2013.

During 2017, Staff audited this cast iron and bare steel retirement program for the year ending September 30, 2016. The Commission approved a monthly surcharge of \$9.15 for residential, \$27.44 for commercial and \$228.65 for industrial customers, effective October 1, 2017. From October 1, 2015 to September 2016, Liberty retired 0.98 miles of bare steel pipe and installed 4.33 miles in the Gainesville area. Replacing the pipe also resulted in the company not spending \$22,995 in operations and maintenance expenses. The replacement program is complete.

Docket 41465, 41466 and 41468: Notices of Proposed Rulemaking

The Natural Gas Competition and Deregulation Act of 1997 give the Commission jurisdiction and authority to promulgate and amend utility rules for carrying out its statutory duties. Staff and a marketer's working group conformed by Walton EMC, Gas South and Scana, carefully reviewed each chapter of the Marketer rules. The working group brought suggestions from different marketers that Staff evaluated and either accepted or rejected. The goal for this project was to make the marketer rules more efficient and updated. One of the biggest achievements of the project is the introduction of the definition of the "consumer preferred method of communication", which enhances the customer experience and brings the rules up to date with the advances in communication technology. A first set of Notices of Proposed Rulemaking (NOPR) was issued on October 17, 2017. The proposed rules will be finalized in 2018.

Docket 31647 Senior Citizen Discount Audit

In 2017, the Commission completed the first audit of the Atlanta Gas Light Company's Senior Citizen Discount. At the time of the audit, approximately 28,000 low-income seniors benefited from this discount. Because of the audit, 17,000 non-qualifying low-income senior accounts were removed from the program, which led to a reduction of the Social Responsibility Rider (SRC) and annual savings of millions of dollars.

TELECOMMUNICATIONS UNIT

The telecommunications industry is indispensable to the economy of the state. Over the past 20 plus years, the Georgia's Telecommunications and Competition Development Act of 1995 and the Federal Telecommunications Act of 1996 have had a great impact on the Commission's role in this vital industry. The primary goal of these statutes was to replace traditional regulated monopoly service with a competitive market. For competitive segments of the industry, the Commission does not set rates, but facilitates market development, certifies providers, arbitrates interconnection agreements, and resolves complaints among competitors.

SIGNIFICANT DEVELOPMENTS IN THE TELECOMMUNICATIONS INDUSTRY IN 2017

In 2017 the Commission granted certificates of authority to eight long-distance resellers, nine competitive local exchange providers and two inter-exchange service providers. The total number of active certificates in 2017 was 741, distributed among industry segments, as follows: 213 resellers, 43 alternative operator service providers, 228 competitive local exchange providers, 86 inter-exchange service providers, 113 payphone service providers, 22 institutional telecommunication service providers and over 36 incumbent local exchange service providers.

Eligible Telecommunications Carriers (ETC)

The Commission continues to monitor the activities of the competitive ETCs it has approved since 2008. There are currently 14 competitive ETCs. An ETC, upon designation by the Commission, is eligible to receive federal support for serving high-cost areas, providing Lifeline-discounted telephone service to qualifying low-income customers, or both. These ETCs will provide greater choice for low-income consumers and those living in rural areas.

Universal Access Fund (UAF)

On December 16, 2016 Tier II Independent Local Exchange Carriers (ILEC) filed requests for an aggregate disbursement of \$28,396,975 for the 22nd UAF year covering the period July 1, 2015, through June 30, 2016. All applicants were audited by Victor Hurlbert, CPA. Under a Commission-approved process, an ILEC applicant can choose to have its application considered on one of two "tracks." Under Track 1, the applicant voluntarily limits its request to no more than \$1,000,000 in a streamlined process that does not ordinarily require a hearing. Under Track 2, the applicant can request a disbursement exceeding \$1,000,000 but would undergo a mandatory hearing during which any party could raise concerns regarding any aspect of the application.

In 2017 the Commission approved total disbursements for the 22nd UAF year of \$24,482,230 with the aggregate annual cap amount remaining at \$1,000,000 each for Track 1 carriers. The approved disbursements are listed below.

22nd UAF Year (7/1/2015-6/30/2016)

<u>Company</u>	<u>Approved Disbursement</u>
Alma Telephone Company	\$ 199,015.00
Blue Ridge Telephone Company	\$ 2,908,777.00
Brantley Telephone Company, Inc.	\$ 1,000,000.00
Bulloch Telephone Cooperative	\$ 1,000,000.00
Camden Telephone & Telegraph Co., Inc.	\$ 1,000,000.00
Chickamauga Telephone Corporation	\$ 671,332.00
Darien Telephone Co., Inc.	\$ 1,617,537.00
Glenwood Telephone Company	\$ 178,445.00
Hart Telephone Company	\$ 407,059.00
Nelson-Ball Ground Telephone Company	\$ 1,495,130.00
Pembroke Telephone Company, Inc.	\$ 1,000,000.00
Pineland Telephone Cooperative, Inc.	\$ 1,000,000.00
Plant Telephone Company	\$ 810,362.00
Planters Rural Telephone Cooperative	\$ 1,000,000.00
Progressive Rural Telephone Co-op., Inc.	\$ 1,000,000.00
Public Service Telephone Company	\$ 3,355,477.00
Ringgold Telephone Company	\$ 2,599,669.00
Trenton Telephone Company	\$ 2,950,582.00
Waverly Hall Telephone, LLC	\$ 288,845.00
Total	\$ 24,482,230.00

House Bill 168, which took effect on June 4, 2010, phased out intrastate access charges and allowed the lost revenue to be offset by higher basic service rates. Pursuant to the statute, the Commission first determined a benchmark local service rate by calculating 110% of the July 1, 2009 residential statewide average rate for basic local exchange service. Next, the Commission set a schedule by which local rates would be increased to the benchmark rate. The approved schedule required basic local exchange service rates to increase by an amount not to exceed \$1.61 per month per year for a period of nine years with a true-up in the tenth year. For 2018, the statewide benchmark was increased to \$20.62, after adjusting for inflation.

Institutional Telecommunication Service (ITS)

Institutional Telecommunication Service is telephone service provided to inmates incarcerated in jails and prisons in Georgia which allows them to communicate with their families and loved ones. Providers of ITS must obtain a Certificate of Authority from the Commission. In 2016, the Commission approved a new rate structure for local ITS calls of \$0.18 per minute with a cap of \$2.70 per call. In 2017, the Commission approved new maximum rates for long distance ITS phone service in order to align intrastate rates with the interstate rates adopted by the FCC. Like the FCC, the Commission prohibited the imposition of ancillary fees on ITS service. The new long distance ITS rates vary based on the type of facility as well as the Average Daily Population ("ADP") as shown in the graph below:

Facility Type	ADP	ICS Vendor Rate	Explicit Cost Recovery Additive	Total Consumer Cost
Jail	0-349	\$.22	\$.09	\$.31
Jail	350-999	\$.16	\$.05	\$.21
Jail	1000+	\$.14	\$.05	\$.19
Prison	ALL	\$.11	\$.05	\$.16

After adoption of the new rates, the Commission held hearings to consider the following two issues:

- (1) Should the Commission adopt caps on site commissions as part of the rates for institutional telecommunications services?
- (2) If the Commission adopts site commissions as part of the rates on institutional telecommunications services, should the caps be applied to existing contracts? The determination of this issue may involve consideration of (a) whether and how the current term of an existing contract should be treated differently than a renewal term of a contract for purposes of applying caps on site commissions, and (b) whether and how facilities of different size or type should be treated differently for purposes of applying caps on site commissions. Part (b) may include what the amount of any site commission cap should be for each size or type of facility, whether there is any basis for differentiating between the sizes and types of facilities for purposes of applying any site commission cap to an existing contract and any other basis for applying a site commission cap differently based on the size or type of facility.

The Commission will render a decision on these issues in 2018.

Telecommunications Relay Service (TRS)

By statute, the Commission administers the Telecommunications Relay Service (TRS) which provides telecommunications services for the hearing impaired. The TRS is funded through a charge levied on each telephone landline in the state.

Hamilton Telecommunications has been the Georgia TRS provider since April 2006. Headquartered in Nebraska, Hamilton currently provides relay service in 17 states. Hamilton, known here as Georgia Relay, operates a call center in Albany, Georgia, seven days a week, 18 hours a day, employing over 180 communications assistants. In 2017, the Relay Center in Albany processed an average of almost 50,000 relay calls per month. The total cost paid from the TRS fund was \$991,755 for 2017. The TRS portion was \$255,161.

With Commission approval, Hamilton implemented Captioned Telephone Service (CapTel®) in Georgia in January 2008. An enhanced form of relay service, CapTel® allows individuals with hearing loss to view word-for-word captions of their telephone conversations. Over 1,300 subscribers now use the system, averaging approximately 30,000 calls a month. The cost of this service for 2017 was \$736,594.

Telecommunications Equipment Distribution Program (TEDP)

The Commission established the Georgia TEDP in March 2003 pursuant to the provisions of House Bill 1003. This program provides specialized telecommunications equipment to Georgians who, because of physical impairments (particularly hearing and speech), cannot otherwise communicate over the telephone. Receipt of free equipment under this program is

subject to medical and financial eligibility requirements. To date, approximately 8,571 equipment items, which includes approximately 1,100 CapTel® phones, have been distributed to hearing or speech-impaired applicants. The Commission contracts with the Georgia Council for the Hearing Impaired (GACHI) to be the distribution agency for the Georgia TEDP. The cost of this service for 2017 was \$762,453.

Audible Universal Information Access Service (AUIAS)

In 2006 the Legislature created a statewide AUIAS to provide blind and print-disabled citizens of Georgia with telephonic access to print media publications and gave the Commission oversight of the service. Following a competitive bidding process, the Commission selected the National Federation of the Blind to administer the service. Since June 2006, the AUIAS has provided continuous audible universal access to all Georgia telephone exchanges, 24 hours a day, seven days a week and 52 weeks a year. The system is accessible by dialing a toll-free or local number anywhere in the state and has the capacity to serve an unlimited number of subscribers. Currently, there are over 2,400 subscribers to this service. The total number of Georgia citizens that could potentially benefit from this service exceeds 25,000, as demonstrated by the number of current subscribers to the Georgia Library for Accessible Services. The cost of this service in 2017 was \$203,100.

Hearing Aid Distribution Program

In August 2007, the Commission approved the Hearing Aid Distribution Program according to the provisions of House Bill 655, which authorized use of TRS funds for the distribution of hearing aids. The Commission contracted with the Georgia Lions Lighthouse Foundation to administer this program. The Foundation is a nonprofit organization that has provided hearing aids to low-income Georgians for over 30 years. Under the current contract the Foundation receives \$594,000 each year and \$3,240 for each child under the age of 21 who qualifies for this program. The Foundation partners with two hearing aid manufacturers and maintains a network of over 150 audiologists throughout the state. In 2017 the program distributed 1,853 hearing aids to 957 applicants.

CONSUMER AFFAIRS UNIT

The Consumer Affairs Unit is the primary contact for consumers that want to make their concerns and issues known to the Commission. Consumers convey these concerns and issues in the form of complaints, inquiries, or opinions, collectively referred to as “contacts.” Consumers file contacts and opinions in person, via telephone, fax, regular mail, email, and internet.

The Consumer Affairs Staff interacts with representatives from the utility industries to resolve consumer complaints, discuss complaint trends and possible courses of action to address problematic trends, and ensure mutual understanding of respective business processes and policies.

Consumer Affairs Staff has direct involvement with both the general public and industry representatives. This direct involvement gives the Consumer Affairs Unit a unique perspective that makes it a source of valuable information for other work groups within the Commission. In addition to complaint resolution, the Consumer Affairs Unit is responsible for consumer education and community outreach.

Consumer Affairs Community Outreach

In 2017 the Consumer Affairs Group continued its community outreach activities. Our office delivered presentations to community groups, senior citizen communities and organizations. Consumer Affairs staff participated in the Community Empowerment Roadshow sponsored by Commissioner Echols. The Community Empowerment Roadshow event was held in Cobb, Gwinnett, Columbus, Macon, and Savannah and provided communities with valuable information on energy assistance, utility cost savings, and referral services.

Our office gave a two-hour question and answer presentation at the QLS Haven senior citizen complex. The Office of Consumer Affairs continued our relationship with the Atlanta Housing Authority by participating in the monthly Service Providers Workshop. Consumer Affairs staff attended the annual H.E.A.T (Heating Energy Assistance Team, Inc.) meeting. Our office updated our contact information with the Atlanta Regional Commission. The Consumer Affairs Unit will continue our efforts to increase public awareness of the mission of the Georgia Public Service Commission.

Inbound Contacts

The main method that consumers use to contact the Commission is the telephone. The Consumer Affairs Unit has three staff members that are dedicated to taking consumer calls. These staff members answer all calls coming through our Automated Call Distributor (ACD). Incoming Spanish calls are routed to bilingual staff members (one member is located in the Consumer Affairs Unit) for assistance.

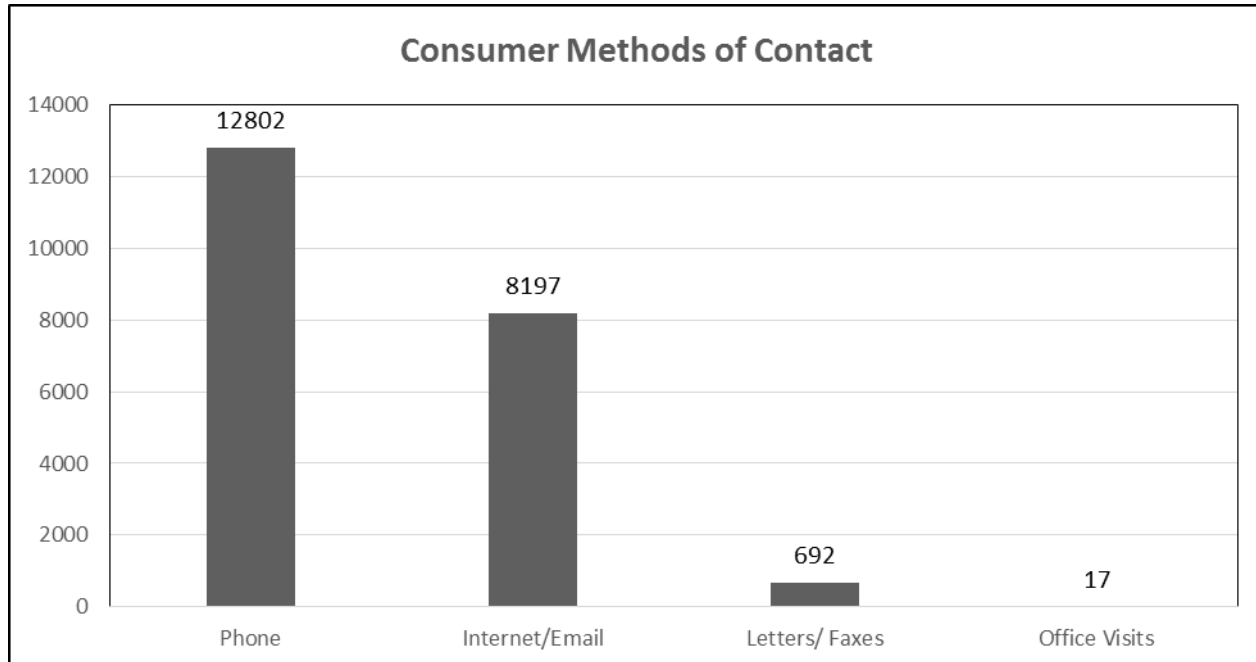
The total number of calls reported by the Commission’s ACD for 2017 was 12,802 (this includes Spanish calls). Telephone calls comprised the majority of all inbound contact methods in 2017. Internet/e-mail contacts continued to be the second preferred method of

contacting the Commission in 2017. There were 3,093 internet contacts, 4,904 e-mail complaints, and 200 opinions for a total of 8,197 contacts.

Regular mail and faxes were the next popular methods consumers used for communicating with the Commission. The total paper correspondence in 2017 (letters and faxes) was 692.

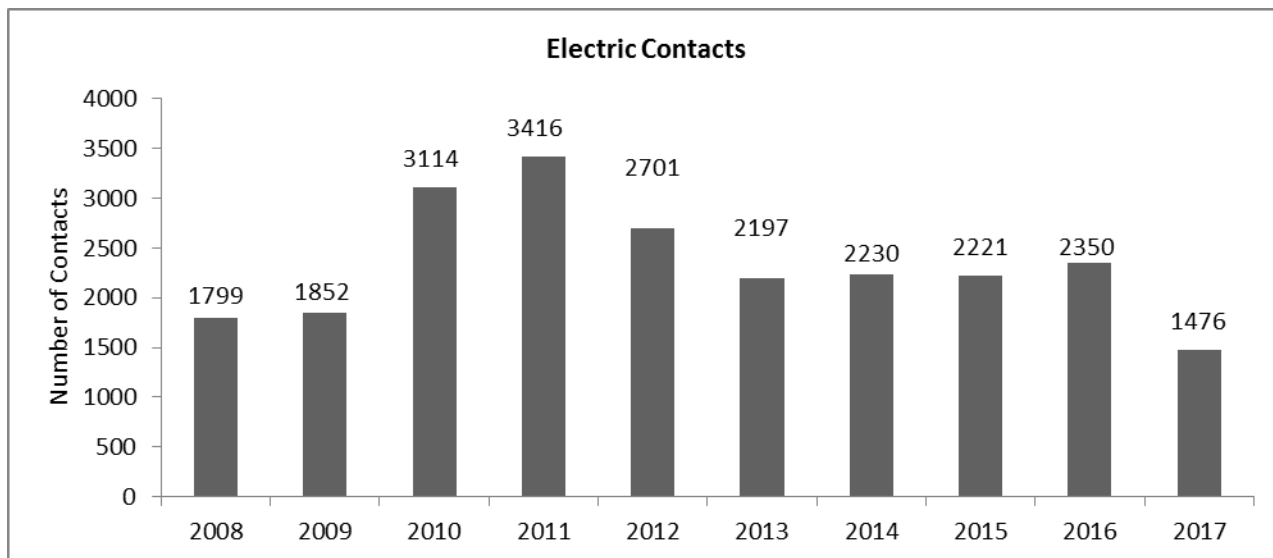
The Office of Consumer Affairs also takes complaints from consumers who visit the Georgia Public Service Commission in person. In 2017 the Office of Consumer Affairs met with 17 consumers to discuss issues with their bills, deposits, and to share information on energy assistance and Lifeline. This contact method represented less than 1% percentage of all contacts. In all, Consumer Affairs representatives received 21,708 inquiries, complaints, and opinions from the general public in 2017.

Some of the contacts received from consumers will require referral or follow-up by a Consumer Affairs staff member. Contacts requiring referral or follow-up are recorded in the Consumer Response System (CRS) database. Referrals are the instances that our staff has to send a contact to a utility company for a response. Follow-Ups include making calls or sending e-mails to the representatives of the utility as well as contacts to and from consumers.

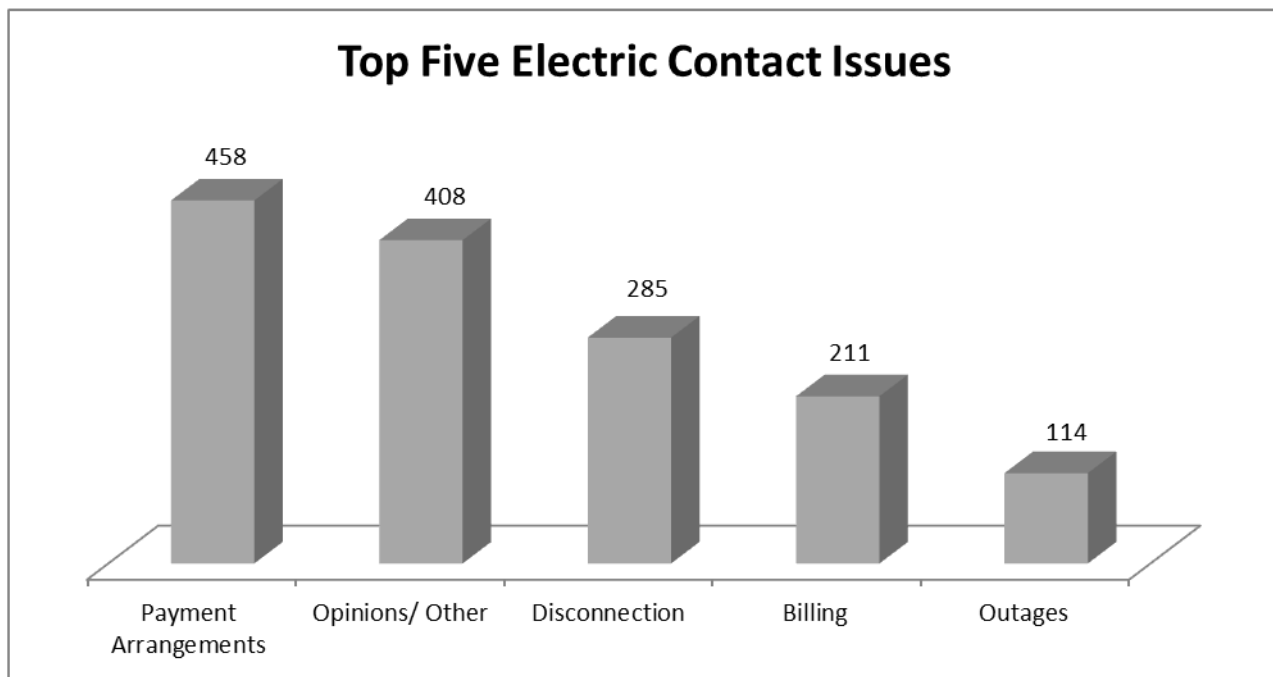


Electric Consumer Issues

Electric contacts decreased in 2017 from 2,350 to 1,476. The top five concerns for electric customers were pay arrangements, disconnect/non-pay disconnect, Plant Vogtle opinions, billing issues, and outages.

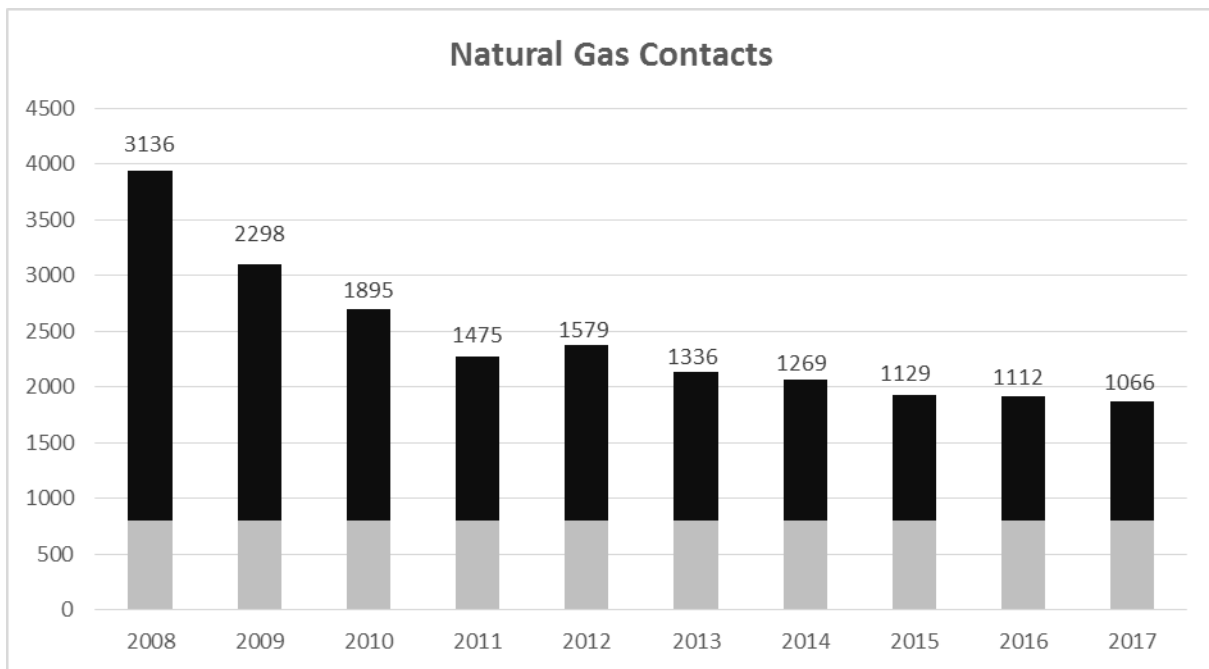


The major Electric issue for 2017 was calls concerning Pay Arrangements. Some of those calls can be attributed to Georgia Power closed most of their office locations. There is also a significant increase in outages versus previous years. This can be contributed to Hurricane Irma and Hurricane Maria impacting Georgia Power customers' service in 2017.

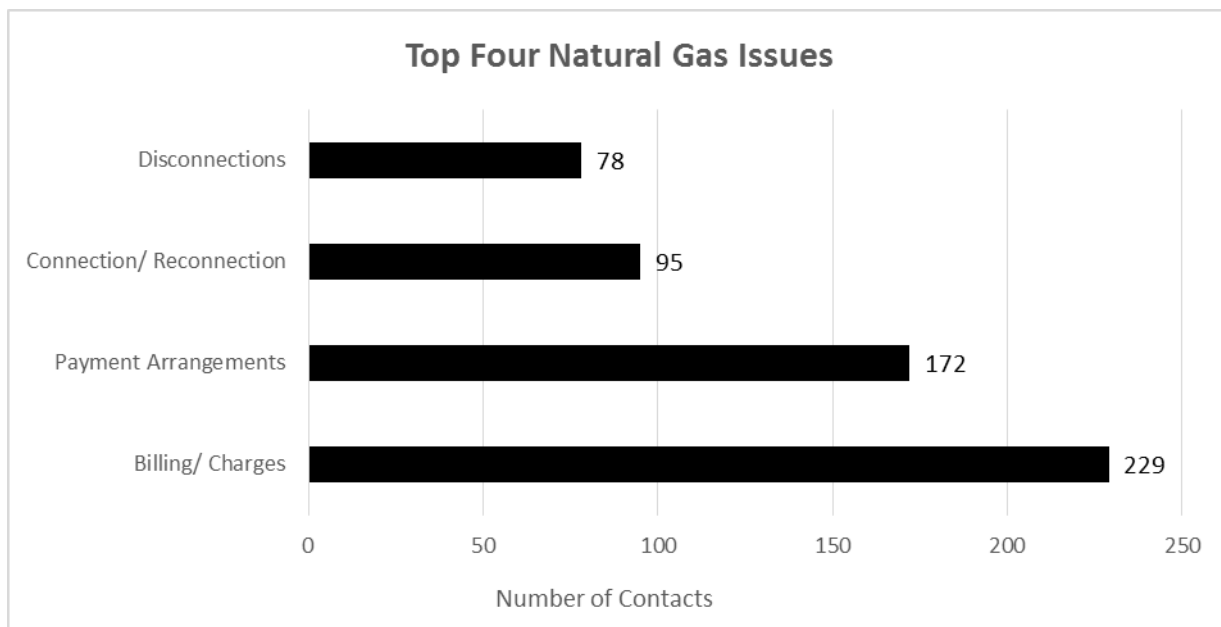


Natural Gas Consumer Issues

Natural Gas contacts decreased in 2017 from 1,112 to 1,066. Consumers are more aware of the competition in Georgia because of our increased activity in the community. Consumers also contact the GPSC for information on marketer's rates to ensure that they are making informed choices that suits their energy needs and budget.

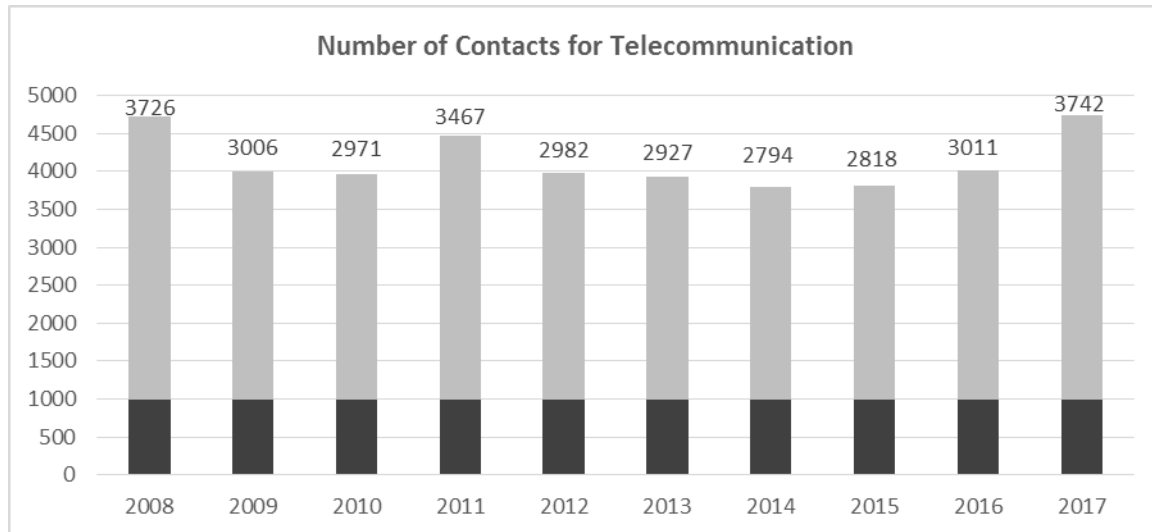


The major Natural Gas issues for 2017 were calls concerning billing issues/charges, payment arrangements, connections/reconnections, and disconnections.

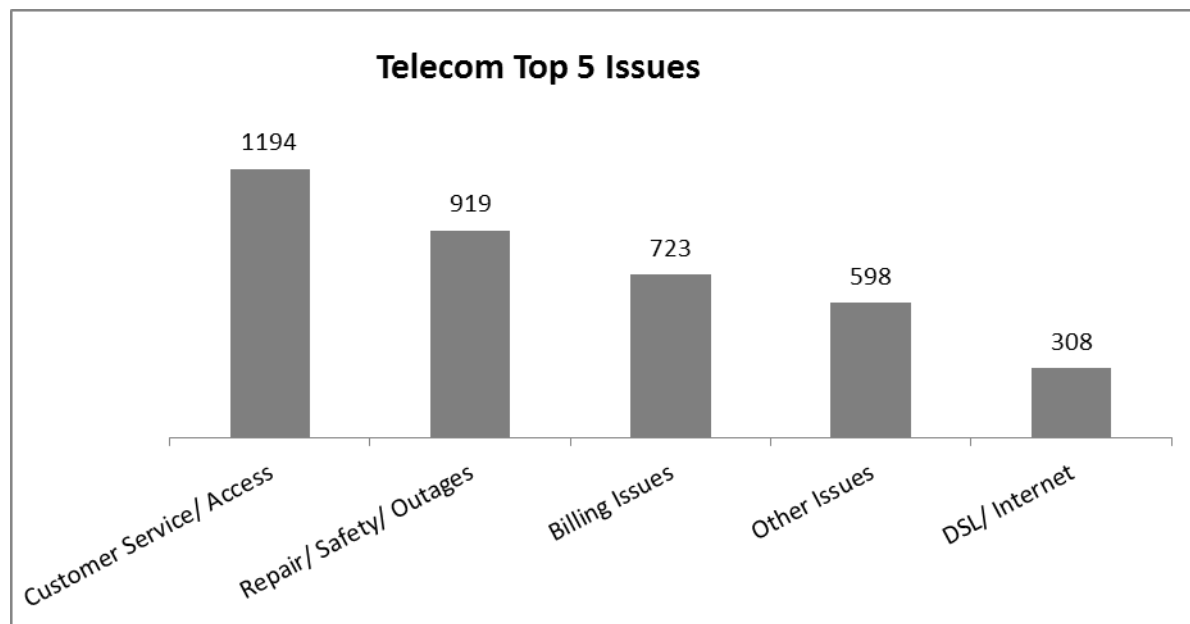


Telecommunications Consumer Issues

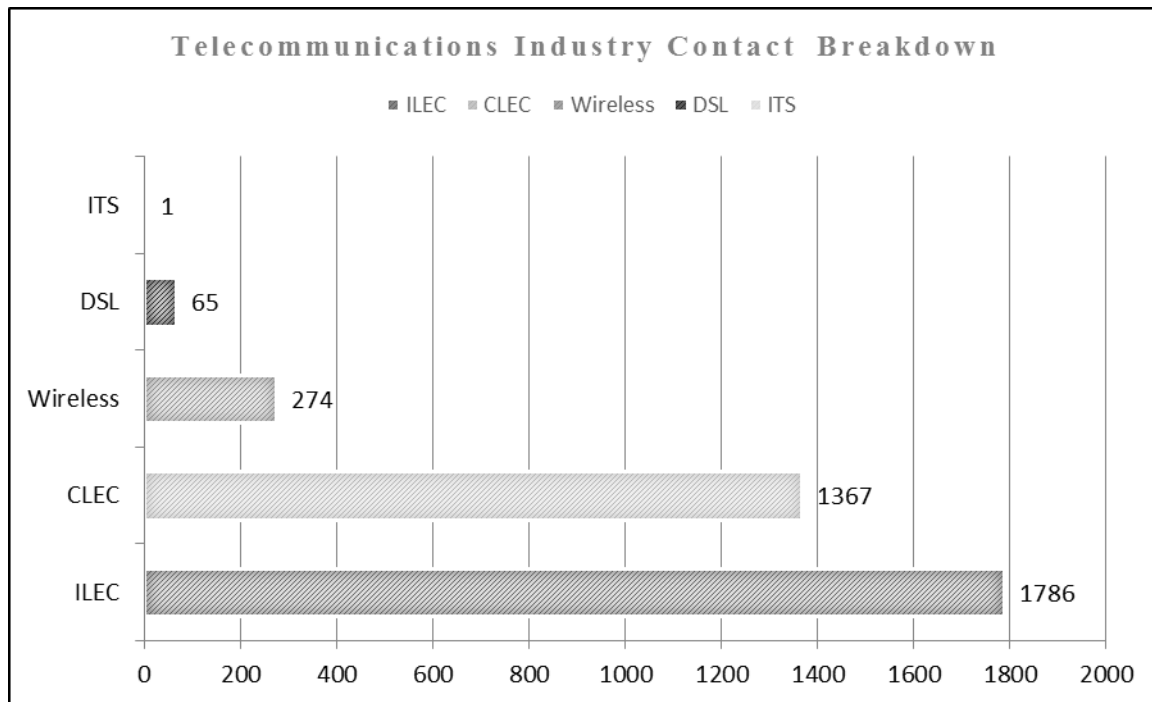
Telecommunications contacts increased in 2017 from 3,011 to 3,742. The top three concerns for telecommunications customers were customer service, billing issues, and repairs. There were 274 wireless complaints, 64 DSL complaints, and 1 Institutional Telecommunication Service complaint for 2017.



The major telecom issues for 2017 were calls concerning customer service and billing. Majority of the customer service calls were in regards to consumers unable to get the service provider they would like in their area. The second largest complaints from consumers were repairs and safety issues which are attributed to outages from inclement weather during the hurricanes. The remaining repair issues were a result of telecommunication providers sending technicians to consumers' homes who were unable to assess and repair service in a timely manner.



In 2017 Independent Local Exchange Carrier and Competitive Local Exchanges Carrier contacts made up 90% of the telecommunications calls to the Consumer Affairs Unit. However we assist all consumers with inquiries in regards to most telecommuication industries.



INTERNAL CONSULTANTS UNIT

The Internal Consultants (IC) Unit of the Utilities Division operates primarily as a resource for the other units. During 2017 IC Staff served as Project Lead on several major cases which included Plant Vogtle Units 3 and 4 Construction Monitoring, national collaboration on Nuclear Waste disposal, Georgia Power Company's Fuel Cost Recovery/Hedging Program monitoring, and the Renewable Energy Development Initiative ("REDI").

Throughout 2017, the Energy Efficiency and Renewable Energy (EERE) Group worked with Georgia Power and Interested Parties in finalizing Georgia Power's Renewable Cost Benefit Framework ("RCB Framework"), monitored Georgia Power's construction of its military base solar projects at Forts Benning, Gordon, and Stewart, the Kings Bay Naval Base, and the Marine Corps Logistics Base ("MCLB").

EERE Staff also monitored Demand Side Management (DSM) and Energy Efficiency (EE) programs, reviewed Georgia Power's Annual DSM True-Up to verify program spending and cost recovery, and continued work on the Evaluation Measurement and Verification (EM&V) process.

FACILITIES PROTECTION

During 2017 the pipeline safety inspectors of the Facilities Protection Unit monitored and inspected over 1,200 miles of transmission lines, nearly 44,000 miles of distribution pipeline, and more than 2 million service lines for transporting natural gas to Georgia customers in 147 counties. The pipeline safety inspectors evaluated operator compliance with state and federal pipeline safety regulations by conducting 211 inspections, including 16 Drug and Alcohol inspections, over 858 inspection days.

The Commission continued its damage prevention efforts in 2017 by giving 16 Georgia Utility Facilities Protection Act (GUFPA) presentations to over 200 attendees. The GUFPA investigators' participation in these meetings continued to strengthen the Commission's relationship with those groups across the state dedicated to damage prevention. These groups include the Georgia Utility Contractor's Association, Plumbing Mechanical Association, the Georgia Onsite Wastewater Association and the Georgia Utility Coordinating Council.

Facilities Protection Unit

The Facilities Protection Unit (FPU) of the Georgia Public Service Commission is composed of two distinct areas: Pipeline Safety and GUFPA enforcement.

The pipeline safety function is carried out under an agreement with the Pipeline and Hazards Materials Safety Administration (PHMSA) of the U.S. Department of Transportation (DOT). Pipeline safety inspectors are responsible for enforcing federal regulations for the safe installation and operation of natural gas pipelines. 2017 marked the 49th year of the Commission's relationship with PHMSA.

The Commission assumed responsibility for damage prevention efforts in 2000, following passage of the GUFPA law. The goals GUFPA are to prevent injury to Georgia citizens and damage to buried utilities by requiring those who want to perform mechanized excavation to call 811 before digging, so facility owners can mark the location of buried utility facilities to avoid damage.

Pipeline Safety

Pipeline Safety achieved 100% operator inspections by inspecting all eighty-two (82) municipalities and both private operators were during 2017. This is no small task, given the number of operators and geography of the state. In addition, sixteen (16) drug and alcohol inspections were performed in 2016.

Inspection Type	Number of Inspection Days
Standard Comprehensive	472
Design, Testing, and Construction	19
Operator On-Site Training	26
Integrity Management	121
Operator Qualification	82
Investigating Incidents or Accidents	38
Damage Prevention Investigation	0
Compliance Follow-Up	99
TOTAL	992

These numbers vary each year depending on the type of inspection. Each inspector must conduct a compliance follow-up inspection if there are current or remaining violations. Oftentimes, the follow-up inspection can take as many days as the actual inspection.

Georgia Utility Facility Protection Act (GUFPA) Enforcement

Efforts to prevent damage to buried utilities in Georgia stem from the requirements of the Georgia Utility Facility Protection Act (Act) of 2000, which assigns responsibility for enforcement to the Georgia Public Service Commission.

Facilities Protection is one of the few areas where Commission jurisdiction extends beyond the electric, telephone and natural gas industries. The PSC is responsible for enforcing the call before you dig laws for all utility facilities. During 2017 system owners and operators reported 5,817 incidents where facilities were damaged. Over 47% of the damages were to natural gas lines, while the remaining 43% of the damage were to non-gas facilities.

Reported Damages in 2017	
Natural Gas	3,034
Telephone	1779
Electric	458
Cable TV	401
Water	134
Sewer	11
Total Non-Gas Incidents	2,783
Total Damages Reported	5,817

Staff investigated 3,560 incidents where violations of the GUFPA law were alleged. The enforcement actions during the year included 94 hearings, 537 consent agreements and 262 final orders. Of the 1,694 cases closed, 1,424 related to damaged natural gas lines. These cases concluded with the Commission's levying \$5,802,000 in civil penalties, of which \$4,760,000 million was mitigated with training. The remaining amounts are disbursed to the state treasury, as required by state law.

To prevent incidents due to excavators' failure to appreciate the severity of possible damage when safety regulations are ignored or failure to understand the legal requirements, the Commission gives violators the option of attending safety training in lieu of paying the full civil penalty assessed. Many alleged violators take advantage of this offer with 1,006 locators, excavators, and facility owners and operators attending one of the 160 Commission-approved dig law training presentations in 2017.

The Commission continued its other damage prevention efforts by providing 16 presentations by GUFPA investigators to over 200 attendees. The GUFPA staff's participation in these meetings strengthened the Commission's relationship with various groups across the states who are dedicated to damage prevention, such as: The Georgia Utility Contractor's Association, Plumbing Mechanical Association, Georgia Onsite Wastewater Association and the Georgia Utility Coordinating Council.

The Commission is committed to ensuring safety for all aspects of excavation in and around underground utilities. During 2017, the Staff worked with several operators and industry representatives to further explore additional training opportunities to address non-mechanized excavation. Several participants spent 2017 developing training material that can be utilized by the Commission for supplemental mitigation of GUFPA violations. The Staff's goal is to have this newly developed training implemented and required by June 2018.

Additional Facility Protection Program Activities

Pipeline Safety Staff continued enforcing the federal public awareness regulations, including, Drug and Alcohol, Operator Qualifications, Construction, Comprehensive Inspections, and Integrity Management, etc. during 2017. In addition, several Staff members participated in numerous on-site operator training classes to expose operators' to more in-depth information on specific regulations, policies, procedures, etc. We have several inspectors within the 1 to 3-year employment range, so the new inspectors are able to learn from the seasoned inspectors. This training is invaluable for this type of work, because the learning curve is very steep.

The FPU Director continually offers training opportunities to the operators, as well as the option of requesting a conference to discuss any probable violations of the Federal or State pipeline safety rules. A great deal of effort has been spent traveling throughout Georgia to provide all natural gas municipalities the opportunity to meet with the FPU Staff, to discuss issues or concerns, and to inquire about the Staff's expectations for inspections. The goal of traveling throughout the state is to ensure that the municipal operators located outside of Metro Atlanta have the same opportunities as the operators located in Metro Atlanta.

As in years past, during 2017, the Staff worked closely with the Georgia Municipal Association ("GMA") Gas Section to further educate the municipal elected officials and city managers on the role of the PSC. The FPU Director attended the annual GMA conference to specifically discuss the roles and responsibilities for cities with natural gas systems. The annual Pipeline Safety Conference (PSC in conjunction with the GMA Gas Section) also provides additional learning and training opportunities for operators, contractors, consultants, etc. This working relationship will continue throughout 2018. The goal for 2018 is to, once again, conduct regional workshops throughout Georgia. This will provide all municipal operators with the opportunity to meet with the Director and discuss any issues, any questions, etc. The goal of this task is to continue to build a strong and effective working relationship between the PSC and natural gas operators, in order to achieve the ultimate goal of pipeline safety.

In April 2017, the Facilities Protection Unit hosted the 2017 National Association of Pipeline Safety Representatives Southern Region conference. This annual meeting is held in different eight (8) Southeastern states and serves to have regional pipeline safety departments meet and discuss regulations and other topics. The meeting was held in Savannah, Georgia, and received well amongst all participants.

Appointment to Federal Working Group

As noted in the 2016 PSC Annual Report, in December 2016, Michelle Thebert, Facilities Protection Director, was appointed by then-Transportation Secretary Anthony Foxx to the Pipeline Safety Voluntary Information-Sharing System Working Group. This group consists of 24 representatives throughout the U.S. from all areas of the pipeline industry, including, a PHMSA Representative, State Public Utility Commissioners/State Officials, State Pipeline

Safety Inspectors, Safety Advocacy Groups, Labor Representatives, Industry Stakeholders, Research Institutions, and the Environmental Defense Fund.

This group met many times during 2017, either by phone or in Washington D.C. Ms. Thebert is a member of two subcommittees within the larger committee: Process Sharing and Training & Qualifications. The subcommittee allow for better individual participation, as well as being more structured. Within the three-year term of the committee, the group will provide the Secretary of Transportation with advice and recommendations related to pipeline safety, including whether an information-sharing system for pipeline owners and operators is needed, ways to encourage the exchange of pipeline inspection information, and best practices for protecting proprietary and security-sensitive information.

ADMINISTRATION DIVISION

During 2017 the Commission continued to maintain the highest standards in performing those administrative functions that enable the Commission to better serve the public by making the most prudent use of its resources. The Commission worked within the constraints of its budget to promote efficiencies and make the maximum use of taxpayers' monies to fulfill its mission.

The Commission's Administration Division, headed by the Executive Director, is comprised of the Executive Secretary, Budget and Fiscal Office, Human Resource Office, Public Information and Legislative Liaison Office and the Office of Operations Support. An overview of the responsibilities and accomplishments of each of these is set forth below.

EXECUTIVE SECRETARY

The Executive Secretary's Office is responsible for receiving all public documents filed at the Commission. The Executive Secretary's responsibilities include scheduling Commission proceedings, assigning hearing officers, signing and certifying Official Orders, and preparing lists of interveners for docketed matters.

In 2017, this Office opened 744 new case dockets; processed 4,294 filed documents; and filed 698 orders prepared for the Chairman's and Executive Secretary's signature. The number of dockets has grown tremendously over the past two decades.

During 2017, the Commission held 84 public hearings constituting either a quorum of the Commission or a hearing officer assigned by the Commission. Matters docketed for public hearing are generally heard by the entire Commission in open session with a majority of the five-member Commission constituting a quorum.

Regular Commission Administrative Sessions are held on the first and third Tuesdays of each month. Committee meetings are held on the Thursdays prior to Administrative Sessions. The four standing Committees of the Commission are Energy, Facilities Protection, Telecommunications and Administrative Affairs.

BUDGET AND FISCAL OFFICE

The primary role of the Budget and Fiscal Office is to develop the agency's Annual Operating Budget and monitor expenditures to ensure the Commission's compliance with all of its fiscal responsibilities. This task is accomplished, in conjunction with the Executive Director and the PSC Commissioners through interactions with the Governor's Office of Planning and Budget (OPB) and the Legislative Budget Offices as well as other Commission staff. The Office manages the fiscal responsibilities of the Commission through recommendations and monitoring of requests for the agency's State and Federal funding, purchasing, asset management and accurate financial reporting of results to Federal, State and other agencies as required or requested. In 2017, the Budget and Fiscal Office accurately monitored and effectively managed a budget with revenues and expenses of more than \$11 million dollars.

The Office continued to support the State Leadership in meeting all directives to control and reduce the overall budget for the Commission. Enhanced analytical and modeling tools were implemented to monitor, control and forecast all expenses. Each budget item was analyzed

in great detail and revaluated in order to submit Budgets for Amended Fiscal Year 2018 and Fiscal Year 2019.

In order to achieve its mission, the Office used the OPB Financial Management System to prepare and submit the Commission budget, including all amendments and scheduled allotments of funds. The Commission's accounting functions (including Accounts Receivable, Accounts Payable, Payroll and General Ledger) are managed and performed using QuickBooks. The Commission's Payroll Processing and Purchase Orders are managed using the Georgia Technology Authority administered PeopleSoft System, as well as using PeopleSoft's Asset Management Module for items costing over \$1,000.

HUMAN RESOURCES OFFICE

The Human Resources Office (HRO) strives to meet the Human Resource and payroll needs of the Commission. This office remains available to assist employees in many work-related and personal areas. Our office strives to enhance the work experience and lives of our employees by keeping them informed about upcoming programs and policy changes by the State. This was the first full year our agency participated in the Employee Assistant Program. It has proven to be a beneficial tool to our employees.

During 2017 we added four new staff members: one Engineer to our Electric Unit; a Utilities Analyst to our Energy Efficiency and Renewable Energy unit after receiving approval for this position from the Legislature; a Utilities Analyst for our Internal Consultants Unit; and an Administrative Assistant was hired for the GUFPA Unit. This year our office will work with the Executive Director and other senior management to solidify a succession process. Our agency is at a point where we could lose several staff members over the next three to five years due to reaching 30 years of service and normal retirement age. Our office will work to be a strategic partner in helping keep the continuity and high quality of service people have come to expect from the Georgia Public Service Commission.

OFFICE OF OPERATIONS SUPPORT

Growth was the main theme for Fiscal year 2017. The Operations Support team upgraded the Network architecture, initiated work on the State Transparency and Regulatory System (STARS) and developed a much needed agency website.

We have utilized the software and project management talent within the Covendis system provided by the Georgia Technology Authority (GTA). The STARS project mission is to provide data transparency, improved functionality and insight for regulatory matters pertaining to the Georgia Public Service Commission and stakeholders

The first two STARS applications and the agency website are set to be released in early spring 2018.

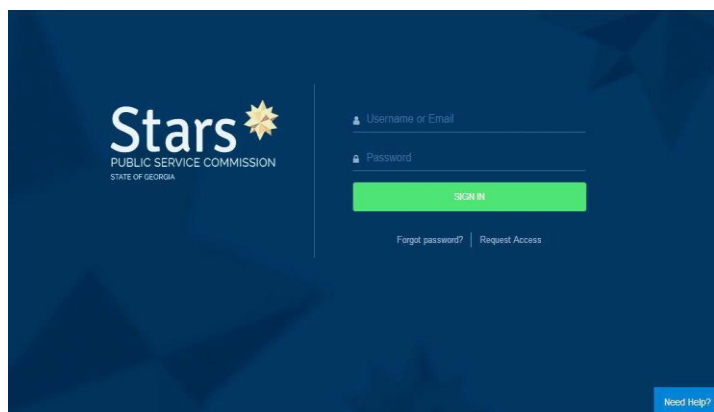


Figure 1: STARS login screen for new system.

To meet some transparency requirements we have linked data between other agencies such as the Georgia Secretary of State corporations' database to the STARS system. STARS will also feature an activity tracker for Dockets, Documents and records such as Certificates and complaints as shown in Figure 2 below.

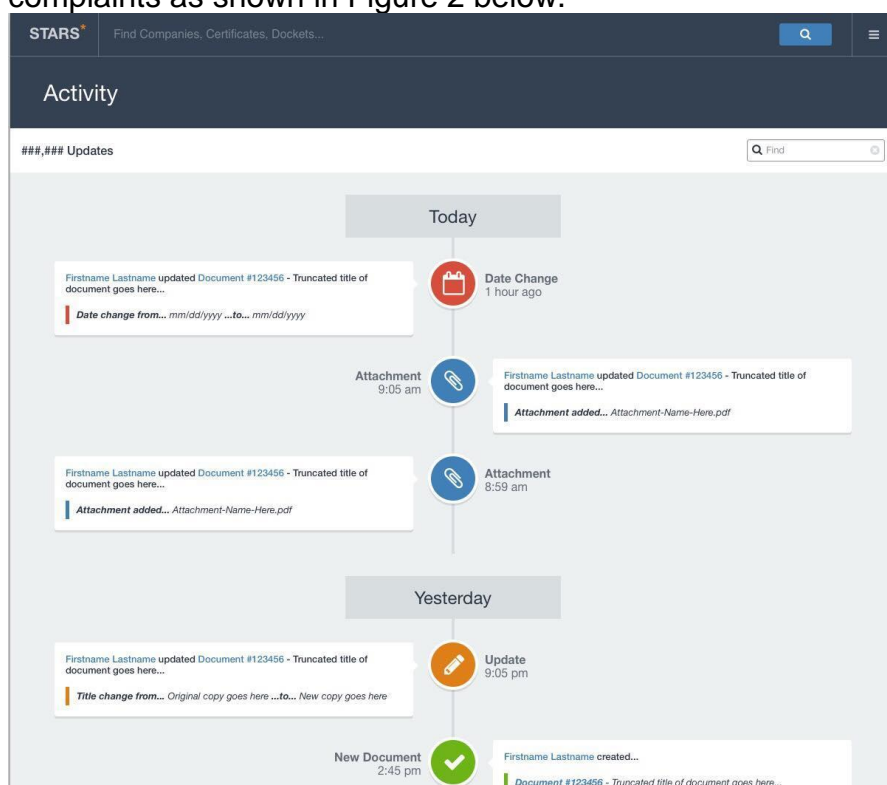


Figure 2: The Docket activity screen for a STARS document.

Telecom and a new File and Case Tracking (FACTS) application were in testing as of the end of 2017 and are set for deployment to stakeholders in early spring 2018. The STARS project will continue development for other in-house applications such as over the next few years.

The new site will be browser independent and responsive as it will render automatically to the device viewing the site. The site will provide translation services and meet ADA requirements.

In addition to the STARS project and the website redesign our team has continued to update the network infrastructure with new switches and security devices. We have increased data storage capabilities and improved data protection procedures and added live video streaming to key hearings to improve stakeholder involvement and understanding.

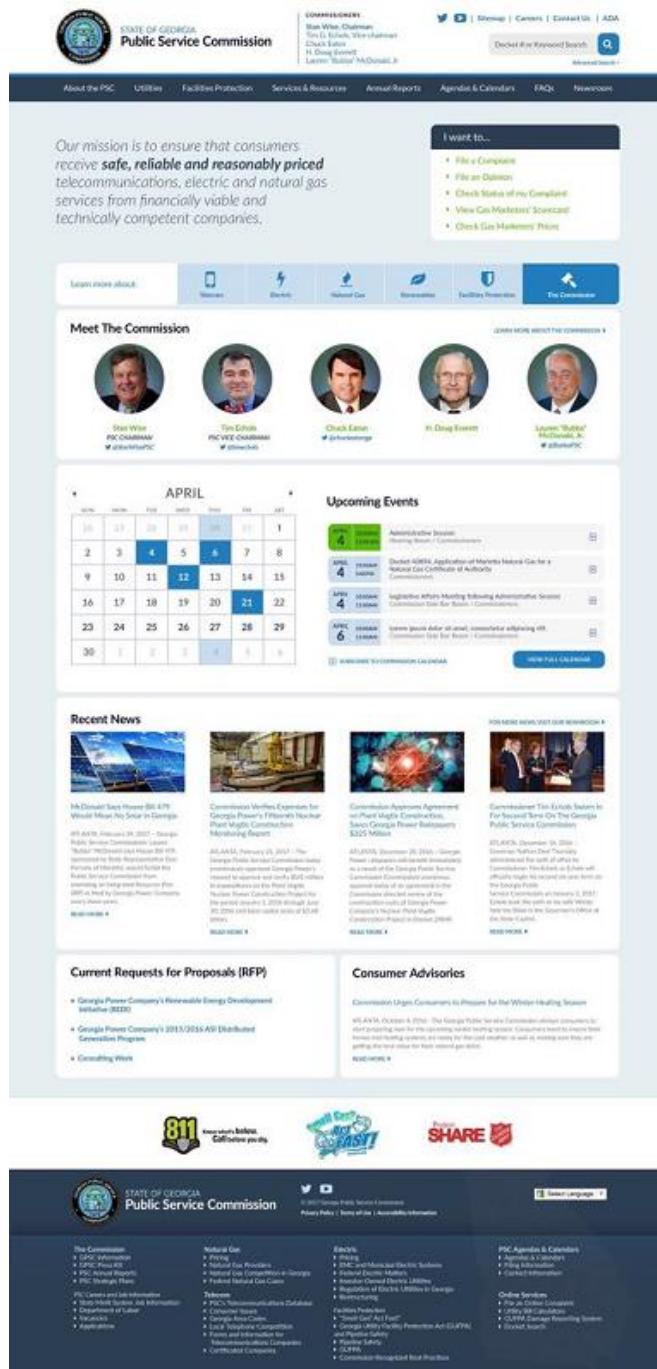


Figure 3: Design image of the new Georgia Public Service Commission home page.

PUBLIC INFORMATION AND LEGISLATIVE LIAISON OFFICE

The Public Information Office (per O.C.G.A. §46-2-7) coordinates official Commission news releases, media relations and maintains the Commission's public information files. The Office also supervises the Commission's website content and manages the agency's internal communications. As the Commission's Legislative Liaison, the Office coordinates the Commission's legislative agenda. In 2017 the Office responded to numerous legislator inquiries relating to constituent concerns, tracked numerous pieces of legislation that impact

the agency and the utilities it regulates, provided daily legislative updates, and coordinated the Commission's analysis and response to legislative proposals.

Local, state and national news media continued extensive coverage of Commission activities and proceedings, such as, the proposed Environmental Protection Agency Clean Power Rules, the Plant Vogtle nuclear construction project hearings and the Clean Energy Road show. In 2017, the Public Information Office issued 14 news releases, 68 media advisories and two consumer advisories, responded to more than 100 local, state and national news media inquiries, conducted interviews with local, state and national media; coordinated Commissioner interviews; and produced Commission publications for internal and external use.

The Public Information Office continued to use social media by posting video news clips of Commission statements and news media coverage on its YouTube Channel and by using Twitter to release timely information.

In the 2017 session, legislators introduced a number of bills affecting state government, the Commission and utilities. The Commission monitored a number of bills which, along with the bill sponsors and status, is provided below:

House Bills Acted on in 2017

- House Bill 202** by Rep. Jay Powell. Increases Governor's salary and allows state officers to receive pay raises given to state employees. **Passed and signed by the Governor.**
- House Bill 205** by Rep. John Meadows. Sets up state regulation of hydraulic fracking. **Passed but held in conference committee.**
- House Bill 238** by Rep. Matt Hatchett. Allows carve out for solar installations build on land in conservation use. **Passed and signed by the Governor.**
- House Bill 336** by Rep. Don Parsons. Creates "Broadband Ready Communities." **Held in House Committee.**
- House Bill 388** by Rep. Jeff Jones. Creates state regulation of coal ash ponds. **Held in House Committee.**
- House Bill 413** by Rep. Don Parsons. Allows telephone coops to donate unclaimed dividends to charity. **Held in Senate Committee** but passed as part of Senate Bill 46.
- House Bill 431** by Rep. Buzz Brockway. Increases solar allowances for commercial solar installations. **Held in House Committee.**
- House Bill 533** by Rep. Brett Harrell. Would allow PSC to settle disputes between local governments and broadband providers over pole fees. **Held in House Committee.**
- House Resolution 482** by Don Parsons. Urges Georgia Congressional delegation to pass legislation on nuclear waste disposal. **Adopted**
- House Resolution 513** by Rep. Bill Werkheiser. Sets up Coal Ash Study Committee. **Held in House Committee.**

Senate Bills Acted on in 2017

- Senate Bill 222** by Sen. John F. Kennedy. Sets up statewide 9-1-1 Authority. **Passed but vetoed by the Governor.**
- Senate Bill 232** by Sen. Steve Gooch. Provides for using UAF monies to fund broadband

expansion, allows EMCs to provide broadband services, allows SPLOST for broadband. **Held in Senate Committee**

Senate Resolution 407 by Sen. David Shafer. Urges Georgia Congressional delegation to pass legislation on nuclear waste disposal. **Adopted**

Legislation Affecting Agency Operations and State Employees

House Bill 43 by Rep. David Ralston and others. Amends the State's Fiscal Year 2017 spending plan. **Passed and signed by the Governor.**

House Bill 44 by Rep. David Ralston and others. Sets the state budget for Fiscal Year 2018 beginning July 1, 2017. **Passed and signed by the Governor.**

House Bill 312 by Rep. Maxwell. Allows the state to establish a Roth IRA investment for state 401-(k) participants. **Passed and signed by the Governor.**

NOTEWORTHY COMMISSION ACTIVITIES IN 2017

Dig Safely Month 2017 Proclamation



Governor Nathan Deal (center) presents the Dig Safely Month Proclamation to (from left to right) **Commissioners Stan Wise, Doug Everett and Lauren “Bubba” McDonald** as well as Commission staff and representatives of utilities, excavators and contractors on April 27, 2017

Lifeline Awareness Week 2017



Governor Nathan Deal (center) presents the Lifeline Awareness Week Proclamation to Commission Staff and Telecommunications Representatives.

From left to right are: Terry Hobbs, Windstream Communications; Claudette Willingham, Manager Consumer Affairs; Governor Deal; Bill Edge, Public Information Officer ;and Monique Andrews, Operations Support.

Ribbon Cutting for Northeast Georgia Solar Facility



Commissioners Tim Echols (second from left) and **Lauren “Bubba” McDonald** (fourth from left) join local officials and utility representatives at a ribbon cutting for a solar facility near Comer, Georgia

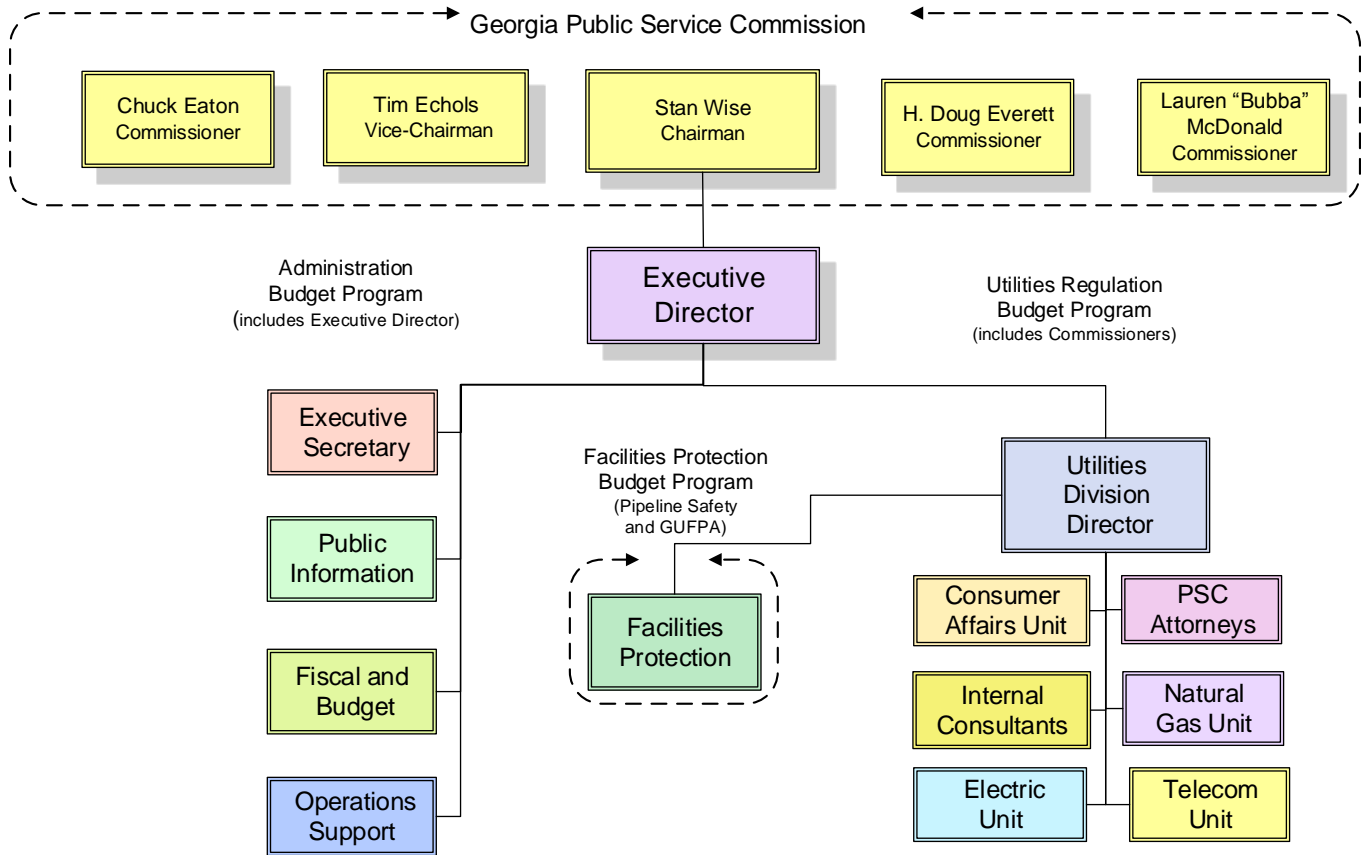
AGENCY BUDGET

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018 Budget
Revenue			
General Assembly Appropriations	\$8,482,455	\$9,121,934	\$9,437,717
Federal and Other Funds	\$2,498,199	\$1,827,126	\$1,343,100
Total	\$10,980,654	\$10,949,060	\$10,780,817
Budgeted Expenditures			
Personal Services	\$8,503,521	\$9,140,610	\$9,590,518
Regular Operating Expenses	\$390,600	\$450,872	\$333,316
Motor Vehicle Purchases	\$0	\$0	\$0
Equipment	\$92,103	\$123,949	\$9,000
Computer Charges	\$70,874	\$94,275	\$165,062
Real Estate Rental	\$670,073	\$670,073	\$484,171
Telecommunications	\$90,400	\$95,786	\$96,000
Contractual Services	\$78,276	\$372,834	\$102,750
Total	\$9,895,847	\$10,948,399	\$10,780,817
Associated Revenue			
Regulatory Assessment Fees Paid Directly to Dept. of Revenue	\$1,050,000	\$1,050,000	\$1,050,000
*Penalties and Fees Collected and Remitted to State Treasury	\$1,101,834	\$495,954	\$295,386
Total	\$2,151,834	\$1,545,954	\$1,345,386

***Note: Penalties and Fees
Collected in FY 2018 through
December 31, 2017**

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PSC ORGANIZATIONAL CHART 2017



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